

FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: Cancor Mines Inc (the "Issuer").

Trading Symbol: KCR

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

See Financial Statements

- (b) A description of the transaction(s), including those for which no amount has been recorded.

See Financial Statements

- (c) The recorded amount of the transactions classified by financial statement category.

See Financial Statements

- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

See Financial Statements

- (e) Contractual obligations with Related Persons, separate from other contractual obligations.

Not Applicable

- (f) Contingencies involving Related Persons, separate from other contingencies.

Not Applicable

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Gross Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
12/5/10	Common Shares	Private Placement	10,000,000	\$0.05	\$ 500,000	Cash	Non related	Finder's Fee 6% of Gross
12/5/10	Warrants	Private Placement	2,500,000	\$0.10	-		Non related	-
12/5/10	Warrants	Private Placement	2,575,000	\$0.15	-		Non related	-

(b) summary of options granted during the period,

No options have been granted during the period.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Authorized: An unlimited number of common shares without par value. Preferred shares are not applicable.

- (b) number and recorded value for shares issued and outstanding,

	Issued	Value
March 31, 2010	57,595,826	\$ 17,868,873
Issuance	10,000,000	500,000
June 30, 2010	67,595,826	\$ 18,368,873

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value.

Number	Description	Exercise Price	Expiration Date
425,000	Options	\$0.26	September 20, 2010
10,000,000	Warrants	\$0.10	September 30, 2010
575,000	Options	\$0.30	September 21, 2011
10,225,000	Warrants	\$0.15	September 30, 2011
75,000	Options	\$0.38	December 13, 2011
725,000	Options	\$0.20	September 4, 2012
275,000	Options	\$0.11	September 22, 2013
425,000	Options	\$0.05	September 21, 2014

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not applicable

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position Held
David Crevier	Director, Chairman
Gabor Jellinek	Director
René Dufour	Director
Kamil Khobzi	Director, President, Chief Executive Officer
Ercan Ugur	Director, Chief Financial Officer, Secretary Treasurer
Kenneth Lester	Director
Florent Baril	Director
Denis Francoeur	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Please See MD&A

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 13, 2010.

Kamil Khobzi

Name of Director or Senior Officer

Signature

President, CEO & Director

Official Capacity

Issuer Details Name of Issuer CANCOR MINES INC.	For Quarter Ended June 30, 2010	Date of Report YY/MM/DD 10/08/13
Issuer Address 110 Place Cremazie W, SUITE 430		
City/Province/Postal Code Montreal, Quebec, H2P 1B9	Issuer Fax No. (514) 384-6399	Issuer Telephone No. (514) 849-3013
Contact Name KAMIL KHOBZI	Contact Position President, CEO & Director	Contact Telephone No. (514) 849-3013
Contact Email Address khobzi@cancor.ca	Web Site Address www.cancor.ca	

Cancor Mines Inc.

**Financial Statements
(Unaudited)
For the period ended
June 30, 2010**

Cancor Mines Inc.

Consolidated Balance Sheets

	(Unaudited) June 30 2010 \$	(Audited) March 31 2010 \$
Assets		
Current assets:		
Cash and term deposits	447,731	279,584
Taxes receivable (note 3)	16,949	11,837
Prepaid expenses	1,950	3,899
	<u>466,630</u>	<u>295,320</u>
Properties and deferred expenditures (note 4)	9,186,352	8,991,122
	<u>9,652,982</u>	<u>9,286,442</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	238,398	214,445
Due to a shareholder	-	46,000
	<u>238,398</u>	<u>260,445</u>
Future income taxes	868,000	868,000
Shareholders' equity:		
Capital stock (note 5)	18,368,873	17,868,873
Contributed surplus	575,977	574,477
Deficit	(10,398,266)	(10,285,353)
	<u>8,546,584</u>	<u>8,157,997</u>
	<u>9,652,982</u>	<u>9,286,442</u>

See accompanying notes to financial statements.

Cancor Mines Inc.
Consolidated Statements of Operations and Deficit
(Unaudited)

	For three months ended June 30	
	2010	2009
	\$	\$
Interest revenue and other	858	11
Expenses		
Administrative	33,733	62,072
Transfer agent fees	1,974	1,974
Legal and audit fees	32,345	11,572
	68,052	75,618
Net loss for the period	(67,194)	(75,607)
Deficit - beginning of year	(10,285,353)	(10,206,047)
Share issue expenses	(45,719)	--
Deficit - end of period	(10,398,266)	(10,281,654)
Net loss per share, basic and diluted	(0.01)	(0.01)

See accompanying notes to financial statements.

Cancor Mines Inc.

Consolidated Statements of Deferred Expenditures

(Unaudited)

	For three months ended June 30	
	2010 \$	2009 \$
Balance – beginning of year	8,991,122	9,117,683
Increase		
Geology and others	99,757	26,285
Maintenance of claims and permits	95,473	--
Balance – end of period	9,186,352	9,143,968
 Represented by:		
Gemini (373 claims) 37.5% interest	3,133,719	3,132,719
Kistabiche (88 claims, 1 MC) 73.85% interest	2,853,001	2,855,192
Turgeon (125 claims) 50% interest	539,164	538,164
Bonfortel (14 claims) 100% interest	713,727	712,727
Poirier (43 claims) 100% interest	--	63,758
Rivière Allard (76 claims) 51% interest	--	117,623
In Ouzzal North (exploration permit)	1,013,814	905,159
Tirek North (prospecting permit)	125,256	84,485
Tan Chaffao East (exploration permit)	373,539	323,296
Tan Chaffao West (prospecting permit)	434,132	410,845
	9,186,352	9,143,968

See accompanying notes to financial statements.

Cancor Mines Inc.

Consolidated Statements of Cash Flows

(Unaudited)

	For three months ended June 30	
	2010	2009
	\$	\$
Cash flows from operating activities:		
Net loss for the period	(67,194)	(75,607)
Net change in non-cash operating working capital items	(25,210)	9,465
	(92,404)	(66,142)
Cash flows from financing activities:		
Share issue expenses	(44,219)	--
Proceeds from share issuance	500,000	--
	455,781	--
Cash flows from investment activities:		
Properties and deferred expenditures	(195,230)	(26,285)
Net decrease in cash and cash equivalents	168,147	(92,427)
Cash and cash equivalents beginning of year	279,584	117,713
Cash and cash equivalents end of period	447,731	25,286
Non-cash financing activities:		
Share issue expenses representing cost of brokers' warrants	1,500	--

See accompanying notes to financial statements.

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

Cancor Mines Inc. ("Cancor" or the "Company") was incorporated on October 5, 1989 under the Canada Business Corporations Act. The principal business of the Corporation consists in acquiring interests in mining properties and participating in the exploration and development of such properties. It has not yet been determined whether these properties contain reserves that are economically recoverable.

1. Nature of operations and going concern:

The Company is in the development stage and has mineral exploration properties in the province of Québec and in Algeria. Substantially, all of the Company's efforts are currently devoted to financing and exploring its Quebec and Algeria properties.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The ability of the Company to meet its commitments as they become payable, including commitments relating to the acquisition of mineral properties and the development of projects, is dependent on the ability of the Company to obtain necessary financing. The recoverability of amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

2. Significant accounting policies:

The quarterly financial statements of the Company have been prepared in accordance with the Canadian generally accepted accounting principles and should be read in conjunction with the March 31, 2010 audited annual financial statements. The accounting policies are the same as those used for the March 31, 2010 audited annual financial statements with the exception of the accounting changes listed below.

Future accounting pronouncements:

International Financial Reporting Standards:

In February 2008, the Accounting Standards Board ("AcSB") announced that accounting standards in Canada were to converge with IFRS and that public companies would be required to present their financial statements, with comparative data, under these standards for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of these requirements on its financial statements.

a) Basis of consolidation:

These consolidated financial statements include the accounts of Cancor and its wholly-owned subsidiaries, Tirek Resources LP and TCE Exploration LP. All significant intercompany amounts have been eliminated on consolidation.

(b) Cash and cash equivalents:

The Company considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents. The major components of cash and cash equivalents are as follows:

	June 30 2010 (Unaudited) \$	March 31 2010 (Audited) \$
Cash	447,731	279,584

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

2. Significant accounting policies (continued):

(c) Properties and deferred exploration costs:

Properties and deferred exploration costs are carried at cost. Exploration expenses relating to a non-producing property are deferred until the property is brought into production or abandoned. Upon abandonment, these costs are charged to earnings. Management reviews the carrying values of assets on a regular basis to determine whether any write-downs are necessary.

Recovery of the cost of properties and deferred exploration expenses depends on the discovery of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete the exploration and development of the properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value.

(d) Stock-based compensation and other stock-based payments:

The Company records stock-based compensation to its participants at fair value. According to the fair value method, a compensation expense is charged to operating expenses based on the fair value of the stock options issued over their vesting period. Upon exercise of the stock options, capital stock is credited in the amount paid plus the corresponding employee compensation amount previously recorded in contributed surplus.

3. Taxes receivable:

	June 30 2010 (Unaudited) \$	March 31 2010 (Audited) \$
Sales tax and others	16,949	11,837

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

4. Properties and deferred expenditures:

	Balance March 31, 2010 \$	Exploration & acquisition expenditures	Balance June 30, 2010 \$
Gemini	3,132,719	1,000	3,133,719
Kistabiche	2,851,364	1,637	2,853,001
Bonfortel	712,727	1,000	713,727
Turgeon	538,164	1,000	539,164
In Ouzzal North	910,050	103,764	1,013,814
Tan Chaffao West	415,506	18,626	434,132
Tirek North	98,797	26,459	125,256
Tan Chaffao East	331,795	41,744	373,539
	8,991,122	195,230	9,186,352

(a) Algerian properties (In Ouzzal North, Tan Chaffao West, Tan Chaffao East and Tirek North):

In 2007 and 2008, Cancor was awarded prospecting and exploration permits for gold and base metal projects in the Hoggar region of Algeria through an auction process administered by the Agence Nationale du Patrimoine Minier ("ANPM"), the sole government agency authorized to deliver such permits in Algeria.

Exploration activity in Algeria is governed by two kinds of permits issued by ANPM. Prospecting permits last for one year with a possibility of two six-month extensions. Exploration permits are given for three years with possible extensions up to six years. A positive feasibility study on any property would lead to incorporation of a joint venture for that project between Cancor and Sonatrach where Sonatrach would have the right to a participating interest between 15% and 49%. Sonatrach is an Algerian state-owned corporation formed to exploit the country's hydrocarbon resources. It is the largest Algerian company and one of the largest oil and gas consortia in the world.

The In Ouzzal North project is located in the Hoggar region, 500 km southwest of the town of Tamanrasset, the exploration permit was acquired by Cancor for US\$500,000 and covers an area of 258 km².

The Tan Chaffao West project is located 250 km north of the town of Tamanrasset, the prospecting permit was acquired by Cancor for US\$70,000 and covers an area of 445 km².

In 2008, Tirek Resources LP, a limited partnership which is wholly-owned by Cancor, acquired the Tirek North prospecting permit for US\$50,000. The project is located 380 km southwest of the town of Tamanrasset and covers an area of 990 km².

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

4. Properties and deferred expenditures (continued):

(a) Algerian properties (In Ouzzal North, Tan Chaffao West, Tan Chaffao East and Tirek North) (continued):

In 2008, TCE Exploration LP, a limited partnership which is wholly-owned by Cancor, acquired the Tan Chaffao East exploration permit for US\$250,000. The project is located 200 km northwest of the town of Tamanrasset and covers an area of 200 km².

(b) Gemini and Turgeon properties:

The Company has a 37.5% interest in the Gemini property with the remaining interest held by CVRD Exploration Canada Inc. ("CVRD") (25%) and IAMGOLD-Québec (37.5%).

In the event CVRD elects not to participate in the implementation of a feasibility study, its venture interest shall automatically convert to 2.5% net smelter return royalty which, at the option of Cancor, would be reduced to 1.5% by payment to CVRD of \$1,000,000.

The Company has a 50% interest in the Turgeon property.

In May 2003, the Company and IAMGOLD-Québec (formerly Cambior) signed an option and joint venture agreement, under which IAMGOLD-Québec had the option to acquire 50% of Cancor's interest in the Gemini and Turgeon properties.

In 2009, IAMGOLD-Québec exercised its option, having spent an aggregate of \$2,562,977 and having made cash payments to Cancor totaling \$100,000. IAMGOLD-Québec thus acquired a 37.5% interest in the Gemini property and a 50% interest in the Turgeon property. Pursuant to the agreement, IAMGOLD-Québec and Cancor then formed a joint venture and management committee to conduct future exploration work on the properties.

Under the joint venture agreement, IAMGOLD-Québec is the operator. The joint venture agreement contains a dilution clause which provides for dilution of a party's interest if such party does not contribute its proportionate share of expenses under an exploration program. If the interest of one of the parties is diluted to 15% or less, this interest will be automatically converted into a net smelter return royalty of 1%, half of which would be redeemable for \$500,000.

(c) Kistabiche property:

The Company owns a 73.85% interest in this property, consisting of 88 claims and one mining concession. The remaining 26.15% is held by SOQUEM.

(d) Bonfortel property:

Pursuant to an agreement dated November 8, 2004 between the Company and Teck Resources Ltd, Cancor earned a 100% interest in 14 claims adjacent to Kistabiche claims and collectively called The Bonfortel property.

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

4. Properties and deferred expenditures (continued):

(d) Bonfortel property (continued):

In consideration for this transaction, the Company issued 100,000 shares with an ascribed value of \$0.32 per share and incurred exploration expenses in the amount of \$500,000.

5. Capital stock:

Authorized: An unlimited number of common shares without par value

	Issued	Value
March 31, 2010	57,595,826	\$17,868,873
Issuance	10,000,000	500,000
June 30, 2010	67,595,826	18,368,873

Share purchase warrants:

The Company has granted share purchase warrants and could be required to issue shares as follows upon the exercise of such warrants:

10,000,000 shares at \$0.10 until September 30, 2010

10,225,000 shares at \$0.15 until September 30, 2011

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

6. Stock option plan:

As at June 30, 2010, 2,579,000 common shares were reserved for future issuance under the stock option plan for the benefit of the directors and officers of the Company. There are no specific conditions to acquire options under the plan. The options vest immediately and their life cannot exceed 5 years.

The number of stock options outstanding fluctuated as follows:

	2010	Weighted average exercise price	2009	Weighted average exercise price
Balance, beginning of year	2,500,000	0.21	2,425,000	0.27
Issued	Nil		Nil	
Expired	Nil		Nil	
Exercisable options June 30	2,500,000	0.21	2,425,000	0.27

As at June 30, 2010, the following options were outstanding:

425,000 shares at \$0.26 until September 20, 2010

575,000 shares at \$0.30 until September 21, 2011

75,000 shares at \$0.38 until December 13, 2011

725,000 shares at \$0.20 until September 4, 2012

275,000 shares at 0.11 until September 22, 2013

425,000 shares at \$0.05 until September 21, 2014

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

7. Contributed surplus:

	\$
Balance, beginning of year	574,477
Cost of compensation warrants	1,500
Cost of options exercised	Nil
Balance, June 30, 2010	575,977

8. Related party transactions and accounts:

- (a) During the period, a law firm, in which a director of the Company is a Partner, rendered legal and consulting services in the amount of \$27,995 (2009 – \$21,475), as well as with respect to financing in the amount of \$39,017 (share issue expenses) (2009 – Nil), totaling an aggregate amount of \$67,012 (2009 - \$21,475). At period end, \$125,454 was unpaid (2009 - \$111,806).
- (b) During the period, a director and officer of the Company received \$35,434 (2009 - \$34,705) for administrative services (\$6,034) and geological services (\$29,400). At period end, \$13,543 was unpaid (2009 - \$13,236).

Except for the geological services in the amount of \$29,400 which have been accounted for in the balance sheet as at June 30, 2010 under "Properties and deferred expenditures", all transactions herein above-mentioned have been accounted for in the statement of operations and deficit for the period ended June 30, 2010, under "Expenses - Administrative", "Expenses - Legal and audit fees" or "Share issue expenses".

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Financial instruments and risk management:

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

9. Financial instruments and risk management (continued):

(a) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. Cash equivalents consist of money market funds.

(b) Interest rate risk:

The cash and cash equivalents bear interest at a variable rate and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest, except for the amount due to a shareholder.

(c) Liquidity risk:

Management strives to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities. Even though the Company was successful in obtaining funds in the past, there is no guarantee that it will succeed in the future.

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

9. Financial instruments and risk management (continued):

(d) Fair value:

The fair value of financial assets and liabilities together with the carrying amounts on the balance sheets are as follows:

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Held-for-trading (cash and cash equivalents)	\$ 447,731	\$ 447,731	\$ 25,286	\$ 25,286
Loans and receivables:				
Taxes and other receivables	16,949	16,949	28,925	28,925
Financial liabilities:				
Other liabilities:				
Accounts payable and accrued liabilities	238,398	238,398	217,394	217,394

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments.

Financial assets held for trading are measured at fair value Level 1.

CANCOR MINES INC.

Notes to Consolidated Financial Statements
Three months ended June 30, 2010
(Unaudited)

10. Capital disclosures:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

In the management of capital, the Company includes the components of shareholders' equity, cash and cash equivalents as well as short-term investments, if any.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. The Company does not use long-term debt since it does not generate operating revenues. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last period.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis was prepared as at August 6, 2010 and should be read in conjunction with the annual financial statements of Cancor Mines Inc. ("Cancor" or the "Company") for the year ended March 31, 2010 and the notes thereto as well as quarterly statements for the period ended June 30, 2010 and the notes thereto. Certain statements contained in this discussion and analysis constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct.

GENERAL

On May 13, 2010, Cancor completed the second tranche of a private placement consisting of 10,000,000 units at a price of \$0.05 per unit for gross proceeds of \$500,000. Each unit was comprised of one common share of Cancor, one half of a 2010 common share purchase warrant (a "2010 Warrant") and one half of a 2011 common share purchase warrant (a "2011 Warrant"). Each whole 2010 Warrant entitles its holder to acquire one common share of Cancor at a price of \$0.10 until September 30, 2010 and each whole 2011 Warrant entitles its holder to acquire one common share of Cancor at a price of \$0.15 until September 30, 2011. Approximately 9% of the private placement was subscribed by directors and officers of the Company.

Proceeds from the offering have been used for working capital purposes and to fund exploration work on the Company's Algerian properties. All securities under the private placements are subject to a hold period of four months following the closing of the offering.

Algerian Exploration Activity

The Company holds a 100% interest in four licenses for mineral exploration in Algeria. The Algerian properties comprise very prospective and extensive ground containing numerous surface and near-surface gold showings which, based on the limited historical data available, appear to offer exceptional potential for open pit mining. For the most part, the properties held by Cancor, in spite of being located in a rich geological environment similar to that of the Abitibi, have never before been available for exploration and development by the private sector.

The first gold mine in Algeria commenced operations only in 1998 and is located on a mineral concession which adjoins two of the properties owned by the Company.

Cancor acquired its properties in 2007 and 2008 directly from the Algerian authorities by way of auction after evaluating the available historical data. These data consisted largely of data generated by Russian and Algerian geologists engaged by a state-owned entity with a mandate to carry out mapping and geological surveys. Additional work consisting of trenching and sampling was also carried out on some of the mineralized structures, including in two cases a very limited amount of diamond drilling. While these exploration data were extremely promising, there was almost no follow up



work due to state control of the entire sector with no opportunity for private sector involvement.

Given the numerous mineralized structures identified at surface by the Russian and Algerian explorers, the Company is initially focusing on selecting those structures which offer the most potential. This involves establishing GPS mapping for all known occurrences of mineralization which allows the Company to build a comprehensive data base and systematically test and verify the conclusions reached by the earlier explorers. To date exploration work consisting of trenching and sampling carried out by Cancor appears to confirm the high gold values reported by the geologists who were working for the Algerian state. Continuation of this work during the coming exploration season will allow the Company to define drilling targets presenting the most potential which will be tested in the subsequent exploration program.

Exploration work was carried out by Cancor in the spring of 2010 on three of the Company's Algerian properties. The work focused on the validation of the historical data for the two projects acquired in 2008 (Tan Chaffao East and North Tirek) and the continuation of the exploration activity which was commenced during the 2008 campaign on the Tan Chaffao West licence.

Sampling of many trenches on several gold showings was completed. Visible gold was observed in some of these trenches and a total of 183 samples were collected for analysis. These samples were sent to the OMAC Laboratories in Ireland.

Exploration work will resume in October.

Tan Chaffao East

Located 45 km SE of Tan Chaffao West the TCE licence covers an area of 20,000 hectares (200 km²), and contains copper-gold mineralization. It is situated on the eastern flank of the In Rabir syncline in volcanic-sedimentary formations.

The Tan Chaffao East mineralized zones are hosted by several bodies of secondary quartzite, attributed to the same key horizon. The historical resource estimate for this is **6.6 million tonnes of 0.55% Cu and 1.62g/t Au** (Sonarem, Kytchakov, et al. for the work in 1972-1973 and V. Kouldochine et al. for the work in 1973). This preliminary assessment was carried out by the Russian team, based on 10 drill holes and trenches spaced 100 to 200 m apart. These resources are characterized by Kouldochine et al. as "prognostic", which corresponds to category C2 (in the Russian classification).

These resources are not compliant with Canadian National Instrument 43-101. No qualified person has carried out the work required to classify the historical estimate as current mineral resources. Cancor is not treating the historical estimate as current mineral resources, and accordingly, the historical estimate should not be relied upon (July 8, 2008 Press Release).

Recent work by Cancor during the spring 2010 campaign comprised geological reconnaissance of the license, and GPS surveying of most of the existing historical surface works. Mapping of the known deposit and a geological reconnaissance of two additional gold showings have been completed. Several of the existing trenches were opened up and systematically sampled through channel sampling.

Three mineralized zones of the known deposit were the focus of this work: the South-West, the Central and the North-East blocks. Cancor opened up six existing trenches totaling 152m which were systematically sampled through channel sampling. A total of



152 samples were collected and sent to Ireland for gold and base metal analyses. The results are the following:

Block	Trench	Width, m	Au, g/t	Au, g/t*	Cu, %	Zn, %	Ag, g/t
SW	TR101	7.0	1.37	1.37	0.71	1.03	3.00
SW	TR102	10.0	9.60	8.97	0.84	0.10	6.54
SW	TR109	1.0	0.05	0.05	0.16	0.58	2.60
Central	TR106	8.0	0.03	0.03	1.13	0.67	1.09
Central	TR106	1.0	6.79	6.79	0.12	0.03	1.90
Central	TR106	1.0	1.25	1.25	0.33	0.14	1.00
NE	TR143	16.0	0.02	0.02	1.22	0.64	3.29

**Cut at 1 ounce/tonne or 31.104 g/t*

Tan Chaffao West

The geological and geochemical work that was carried out by Cancor in 2007-2008 has confirmed the historical results obtained for the mineralized zones that were discovered in the early 1970s by Russian geologists working for the Algerian state-owned entity Société Nationale de Recherche Minière (SONAREM). These zones, which cover several kilometres, are located in highly altered rhyolitic rocks. They contain malachite, pyrite, chalcopyrite, sphalerite, galena, and gold in addition to pyrrhotite, barytine, and magnetite. In addition, visible gold has been observed by Cancor geologists in old drill core remaining from drilling completed in the 70's which was never sampled.

Two check samples were collected near the site where a grab sample taken in 2008 by Cancor geologists returned a value of 9.5 g/t Au and a further sixteen (16) samples were taken from two sections in the core from drill hole 74-2 on Lens I to check their gold content. The 18 samples were also analyzed for silver. No significant value was detected.

North Tirek

Cancor holds a 100% interest in the North Tirek property through a prospection license acquired in 2008. The North Tirek property straddles a major fault associated with numerous extensive surface and near-surface gold showings presenting exceptional potential for open pit mining.

Prior to Cancor's acquisition of the licence, trenching and channel sampling had been carried out on all the known gold fields by Russian and Algerian teams. No follow up work has been carried out since 1991.

Field work during May 2010 consisted of geological reconnaissance of the license, GPS surveying of most of the existing trenches coupled with channel sampling in some of them. The trenches of Kheima, Syenite and Kiouene Goldfields showed numerous visible gold specks. A total of 13 channel samples were collected and sent to OMAC Laboratories in Ireland for gold and silver analysis. The results are described below.



The **Kheima Showing** is located in the southern part of the licence, 20km north of the Tirek gold deposit. The showing consists of a 500 m long quartz vein, with a pinch and swells morphology striking NE 20°-30°. Prospection completed in 1991 by Semiani and Al. (digging of 22 trenches) revealed a 75 m long and 2.04 m wide mineralized portion and the average grade of the samples assayed 21.0 g/t Au. The vein is of white to smokey quartz containing small amounts of pyrite and/or galena and iron oxides, hydroxides, and some visible gold associated with brecciated and oxidized parts of the vein.

Cancor opened up trench N9 and collected seven (7) samples. The results are the following:

Sample#	meters	Uncut, g/t	Cut, g/t*
885501	0.30	0.21	0.21
885502	0.70	0.94	0.94
885503	1.00	0.15	0.15
885504	1.00	2.83	2.83
885505	1.00	75.52	31.10
885506	1.00	86.21	31.10
885507	1.00	3.39	3.39
	6.00	28.14	11.52

*Cut at 1 ounce Au/tonne or 31.104 g/t

This same trench had been sampled by the Semiani team in 1990 giving a **66.78 g/t Au over 4.5m (uncut)** compared to **37.34 g/t Au over 4.5 m obtained by Cancor**, thus confirming the high gold values.

The **Syenite Showing** consists of a vein structure arrayed in echelons over a length of 400 metres in the direction of NE 20°. Prospection completed in 1990 by Semiani and Al. (digging of 20 trenches) revealed two sections of 106 m and 34 m, with respective widths of 0.3 m and 1.94 m giving an average grade of 10.73 g/t Au and 9.51 g/t Au respectively.

Cancor opened up trench N11 and collected four (4) samples. The results are the following:

Sample#	meters	Uncut, g/t	Cut, g/t
885508	1.30	0.38	0.38
885509	0.70	40.67	31.10
885510	1.00	2.38	2.38
885511	1.00	1.04	1.04
	4.00	8.10	6.40

This same trench had been sampled by the Semiani team in 1990 giving a **8.68 g/t Au over 3.0 m (uncut)** compared to **10.67 g/t Au over 3.0 m obtained by Cancor**, thus confirming again the high gold values.



The **Kiouène gold field** had been prospected by Algerian and Russian teams and more than 380 trenches were completed. They were found to contain 80 veins, 45 of which are auriferous. In addition, a strong geochemical anomaly suggests the presence of blind veins under a shallow overburden. This gold field extends for over 7,000 m in length and 2,000 m in width. Based on historical data the 6 richest portions have thicknesses ranging from 0.6 to 1.5 m, lengths ranging from 40 to 320 m, and mean grades of the samples vary between 5.4 and 9.6 g/t Au.

Cancor opened up only one trench in the northern part of the gold field and collected two (2) samples. No anomalous values were detected.

Exploration Program

The Fall and Winter season exploration program is summarized below:

- Detailed geological mapping of the goldfields on all properties.
- GPS mapping of all existing work on all properties.
- Opening up and rehabilitation of hundreds of trenches in the known gold fields
- Collection of channel samples from all opened trenches
- Preparation and sending of samples for chemical and base metal analyses
- Completion of geological maps with georeferences
- Definition of drilling targets
- Reducing the size of exploration and prospection permits to focus on the most promising sectors
- Geophysical compilation
- Setting up base field camps

FINANCING

See section "General".

RISK AND UNCERTAINTIES

The exploration for and development of mineral deposits may be affected in varying degrees by various factors such as government regulations, environmental risks and hazards, land use, dependence on key personnel and other risks normally encountered in the mining industry. The Company has numerous competitors with greater financial, technical and other resources.

The exploration, development and mining of the Company's properties may require substantial additional financing. The source of future funds available to the Company is through the sale of additional equity capital. There is no assurance that such funding will be available to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest.

RESULTS OF OPERATIONS

During the quarter ended June 30, 2010, the Company recorded a net loss and comprehensive loss of \$67,194 compared to \$75,607 in the previous year. This represents a net loss per share, basic and diluted, of \$0.01. Interest and other revenues amounted to \$858. The expenses for the period amounted to \$68,052



compared to \$75,618 last year. During the period, the Company incurred a total of \$195,230 in exploration expenses compared to \$26,285 in the previous year.

QUARTERLY INFORMATION

The following table sets forth quarterly financial information for each of the eight most recently completed quarters:

Quarter ended	Total revenue	Net profit (loss)	Net Profit (loss) per share, basic and diluted
June 30, 2010	\$ 858	(67,194)	\$(0.01)
March 31, 2010	\$118	\$212,320	\$0.01
December 31, 2009	--	\$(72,132)	\$(0.01)
September 30, 2009	--	\$(89,234)	\$(0.01)
June 30, 2009	\$11	\$(75,607)	\$(0.01)
March 31, 2009	\$21	\$(140,398)	\$(0.01)
December 31, 2008	\$99	\$(84,803)	\$(0.01)
September 30, 2008	\$3,690	\$(154,448)	\$(0.01)

The financial statements for the periods indicated above have been prepared in accordance with Canadian generally accepted accounting principles.

LIQUIDITY

The Company has financed its operations almost exclusively through the sale of its shares and will continue to do so for the foreseeable future.

Cancor's working capital as at June 30, 2010 was \$228,232 as compared to \$34,875 as at March 31, 2010.

CAPITAL RESOURCES

See section "General" above.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of estimates relate to assessing the realizable values of properties and deferred expenditures.

Recovery of the cost of properties and deferred expenditures depends on numerous factors that are out of the Company's control such as the discovery of economically



recoverable ore reserves, the Company's ability to obtain the necessary financing to complete the exploration and development of the properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value. Consequently, actual results could differ from those estimates.

FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011. IFRS use a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures. The Company's auditors are providing training and education regarding IFRS and are advising and assisting the Company in identifying accounting treatment differences between IFRS and Canadian GAAP. The Company has elaborated a plan of action to be ready for the conversion for the 2011 year.

The Company's IFRS conversion plan consists of four phases: diagnosis, design and planning, solution development, and implementation. The plan addresses the impact of IFRS on accounting policies and implementation decisions, infrastructure, business activities and control activities.

The Company is currently in the design and planning phase. During this phase, the Company identifies differences between Canadian GAAP and IFRS, gathers information and financial data to assess the potential impacts of these differences and makes recommendations for IFRS accounting policy decisions. Based on a preliminary evaluation, the following IFRS could have an impact on the financial statements of the Company:

IFRS 1: This guideline details the steps to follow when implementing the IFRS for a first time.

IFRS 2: Payments based on shares: When the purchase is gradual, this IFRS requires that each purchase be evaluated and accounted for separately.

IFRS 6: According to this IFRS, the Company must establish an accounting policy in order to identify which exploration expenses and mineral resources assessment should be capitalized.

IAS 36: (International Accounting Standards): This standard concerns the depreciation method for assets evaluated based on the present value of future cash flows.

Based on a preliminary review, the consequences of adopting the IFRS on the major components of the Company's financial statements is expected to be very minor, apart from notes disclosures. The Company's accounting system is a basic system and the Company believes it can adapt the system to the IFRS.

The Company expects to complete the design and planning phase by the end of the third quarter of 2010 at the latest and will be involved with the solution development and implementation phases throughout the remainder of 2010.

DISCLOSURE CONTROLS AND PROCEDURES



The Chief Executive Officer and the Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period ended June 30, 2010. Based on that evaluation, the officers have concluded that as at that date, such disclosure controls and procedures contain a material weakness due to inadequate segregation of duties between the authorization, recording, review and reconciliation of purchases and sales and recording of cash receipts and bank account reconciliations. This material weakness has the potential to result in a material misstatement in the Company's financial statements, and should also be considered a material weakness in its internal control over financial reporting. The management and board of directors have concluded and agreed that, taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this weakness at this time.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer of the Company have designed, or have caused to be designed under their supervision, internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted auditing principles. The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's internal control over financial reporting as at June 30, 2010. Based on that evaluation, the officers have concluded that as at that date, such internal control over financial reporting contains a material weakness due to inadequate segregation of duties as previously mentioned in "Disclosure controls and procedures."

There has been no change in the Company's internal control over financial reporting that occurred during the period beginning on April 1, 2010 and ended June 30, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

Financial instruments used by the Company consist of cash and cash equivalents. The major components are cash and term deposits invested in short-term highly liquid investments (no commercial paper) with maturities of three months or less and are used for working capital and other corporate purposes.

RELATED PARTY TRANSACTIONS

During the period, a law firm, in which a director of the Company is a Partner, rendered legal and consulting services in the amount of \$27,995 (2009 – \$21,475), as well as with respect to financing in the amount of \$39,017 (share issue expenses) (2009 – Nil), totaling an aggregate amount of \$67,012 (2009 - \$21,475). At period end, \$125,454 was unpaid (2009 - \$111,806).



During the period, a director and officer of the Company received \$35,434 (2009 - \$34,705) for administrative services (\$6,034) and geological services (\$29,400). At period end, \$13,543 was unpaid (2009 - \$13,236).

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company can issue an unlimited number of common shares, without par value. As at June 30, 2010, 67,595,826 shares (2009 – 47,595,826) were issued and outstanding. As of the same date, 20,225,000 purchase warrants at exercise prices ranging between \$0.10 and \$0.15 until September 30, 2011 were outstanding as well.

As at June 30, 2010, 2,579,000 common shares were reserved for future issuance under the stock option plan for the benefit of the directors and officers of the Company. There are no specific conditions to acquire options under the plan. The options vest immediately and their life cannot exceed 5 years. At the end of the year 2,500,000 options were outstanding and could be exercised.

ADDITIONAL INFORMATION

Additional information on Cancor can be found in the Company's press releases, financial statements, annual information form and other documents which are all available on SEDAR (www.sedar.com), its website (www.cancor.ca) and www.cnsx.ca.