

**CANCOR MINES INC.**

110 Cremazie Boulevard West  
Suite 430  
Montreal, Quebec  
H2P 1B9

**NOTICE OF THE ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders (the "Meeting") of Cancor Mines Inc. (the "Corporation") will be held at the Founders room, University Club, 2047 Mansfield, Montreal, Quebec, H3A 1Y7, on Thursday, September 16, 2010 at 11:00 a.m. (Montreal time) for the following purposes:

1. to receive the financial statements of the Corporation for the year ended March 31, 2010, and the auditors' report thereon;
2. to elect the directors of the Corporation;
3. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

DATED at Montreal, Quebec, this 3<sup>rd</sup> day of August, 2010.

By order of the Board of Directors

*(s) Ercan Ugur*

Ercan Ugur  
Secretary-Treasurer

**Shareholders may exercise their rights by attending the Meeting or by completing a form of proxy. Should you be unable to attend the Meeting in person, kindly COMPLETE, DATE and SIGN the enclosed form of proxy and RETURN it to Computershare Investor Services Inc. in the envelope provided for that purpose at your earliest convenience, but no later than Tuesday, September 14, 2010 at 5:00 p.m. (Montreal time). Your shares will be voted in accordance with your instructions as indicated on the proxy, or failing instructions, in the manner set forth in the accompanying information circular.**

**CANCOR MINES INC.**  
**(the "Corporation")**

**INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

**This circular is furnished in connection with the solicitation of proxies by the Management of the Corporation for use at the Annual General Meeting of the Shareholders of the Corporation (the "Meeting") to be held on Thursday, September 16, 2010 at the place, time, and for the purposes set forth in the accompanying notice of meeting (the "Notice"), or at any adjournment thereof. Solicitation will be made by mail, telephone or other personal contact to be made without special compensation by regular employees, officers and directors of the Corporation. The cost of solicitation will be borne by the Corporation.**

Unless otherwise indicated, the information contained herein is given as of August 3, 2010.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named in the enclosed form of proxy are directors of the Corporation. Each shareholder has the right to appoint a person (who needs not be a shareholder of the Corporation) other than the persons whose names appear in the form of proxy to represent him at the Meeting. To that end, the shareholder must insert the name of the person chosen in the blank space provided and strike out the printed names.**

To be valid, a proxy must be signed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney authorized in writing. The proxy, to be acted upon, must be deposited with Computershare Investor Services Inc., at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time prior to 5:00 p.m. on the second business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

A shareholder executing the enclosed proxy may revoke it at any time prior to its use in any manner permitted by law, including by instrument in writing executed by the shareholder or by his attorney authorized in writing or, in the case of a corporation, by an officer or attorney authorized in writing. This instrument must be deposited either with Computershare Investor Services Inc., at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time prior to 5:00 p.m. on the second business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

**VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXY**

**The persons named in the accompanying form of proxy will vote the shares in accordance with the instructions of the shareholders appointing them. In the absence of such instructions, the shares will be voted in favour of the matters referred to in the proxy form.**

The form of proxy also confers discretionary voting authority upon those persons designated therein with respect to other matters which may properly come before the Meeting. At the time of printing this circular, the Management of the Corporation knows of no other matters to come before the Meeting. **However, if amendments or variations to matters identified in the Notice or if other matters properly come before the Meeting, the Management nominees designated in such form of proxy will vote the shares represented thereby in accordance with their best judgment.**

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has any interest in the matters to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS

The authorized capital of the Corporation consists of an unlimited number of common shares, of which 67,595,826 are issued and outstanding as fully paid and non assessable as of the date hereof. Each common share entitles the holder thereof to one (1) vote.

Only holders of at least one common share of the Corporation as of the close of business on August 10, 2010 (the "Record Date") will be entitled to receive notice of the Meeting and to vote either in person or by proxy at the Meeting or any adjournment thereof. However, a transferee of common shares acquired after the Record Date shall be entitled to vote such common shares at the Meeting or any adjournment thereof if he produces properly endorsed certificates for the said common shares or if he otherwise establishes that he owns such shares and if he demands, not later than ten (10) days before the Meeting, that his name be included in the list of shareholders entitled to vote at the Meeting prepared by the Corporation.

To the knowledge of the directors and senior officers of the Corporation, as at August 3, 2010, no person beneficially owned or exercised control or direction over 10% or more of the outstanding shares of the Corporation other than:

<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage</u>
Canadian Depository for Securities Ltd. <sup>(1)</sup>	51,470,066	76.14%
David Crevier <sup>(2)</sup>	7,837,891	11.60%

<sup>(1)</sup> Management has no knowledge of the identity of the beneficial holders of the securities held by Canadian Depository for Securities Ltd.

<sup>(2)</sup> Mr. Crevier is the Chairman of the Board.

## CORPORATE GOVERNANCE

### *Board of directors*

The board of directors is composed of eight directors, four of whom are independent within the meaning of National Instrument 58-101-*Disclosure of Corporate Governance Practices*. The directors who are independent are Gabor Jellinek, Kenneth Lester, Florent Baril and Denis Francoeur. The other directors are not independent, these being Kamil Khobzi in light of his position as President and Chief Executive Officer of the Corporation, Ercan Ugur in light of his position as Chief Financial Officer and Secretary-Treasurer of the Corporation, David Crevier as a result of his being a partner in the law firm that provides legal services to the Corporation and René Dufour as he provides consulting services to the Corporation from time to time.

In addition to their positions on the board, the following directors also serve as directors of the following reporting issuers:

Name of director	Name of reporting issuer
David Crevier	Yorbeau Resources Inc. Dia Bras Exploration Inc. Blue Note Mining Inc.
Gabor Jellinek	Velan Inc. Western Financial Group Inc.
Réne Dufour	Augyva Mining Resources Inc.
Florent Baril	Searchgold Resources Inc. Golden Share Mining Corporation Gee-Ten Ventures Inc.
Denis Francoeur	Gold World Resources Inc.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are excluded. The independent directors are however free to hold such meetings if they consider such advisable. David Crevier is the Chairman of the board and is not an independent director for the reason hereinabove stated. The board considers that special measures to provide leadership for its independent directors are not necessary.

The directors have attended all board meetings held since the beginning of the most recently completed financial year of the Corporation except for Denis Francoeur and Ercan Ugur, who attended five of the eight board meetings held, and Florent Baril and Kenneth Lester who attended seven of these meetings.

*Board Mandate*

The board of directors of the Corporation assumes responsibility for the stewardship of the Corporation. The mandate of the board of directors of the Corporation is to supervise the business and affairs of the Corporation generally, as well as establish strategic direction and objectives.

The board conducts a strategic planning process annually to identify the Corporation's financial and other objectives.

Risk identification is specially addressed by the board in connection with material transactions.

The board examines all issues relating to the Corporation's communications with its shareholders, financial analysts and the media.

The audit committee, in consultation with the auditors of the Corporation, monitors the integrity of the Corporation's financial reporting processes as well as the adequacy of its internal accounting controls.

*Position Descriptions*

The board of directors has not developed written position descriptions for the Chairman of the board, the Chairman of the audit committee and the President and Chief Executive Officer.

Generally, the Chairman of the board and the Chairman of the audit committee must provide leadership to the board or the committee, as the case may be, and must ensure that such board or committee

efficiently discharges its duties. As for the President and Chief Executive Officer, he must ensure that the day-to-day business and affairs of the Corporation are properly managed. He provides the board of directors with adequate information regarding the various matters to be submitted to the board.

#### *Orientation and Continuing Education*

The board considers that it is not necessary to implement formal orientation and education program for new directors. New directors have the opportunity to familiarize themselves with the Corporation's activities by speaking to other directors, by reading technical reports or other documents regarding the Corporation and its properties and by visiting exploration sites. When considered necessary or advisable, the board will provide directors with information regarding topics of interest to the directors, such as fiduciary duties and continuous disclosure obligations.

#### *Ethical Business Conduct*

The board has not adopted a written code of ethics for its directors, officers and employees. A director may not participate in any board discussions on any matter in respect of which he has a conflict of interest nor may he vote in respect of any such matter.

#### *Nomination of Directors*

The board does not have a nominating committee to identify new candidates for board nomination and the board believes that one is not necessary. If there is a vacancy on the board, the new director will be chosen by the remaining directors.

#### *Compensation*

The board is responsible for determining the compensation of the directors and officers as it does not have a compensation committee. The directors receive no compensation as such but do receive options from time to time under the share option plan of the Corporation. The President and Chief Executive Officer of the Corporation does not receive any salary from the Corporation. However, he is remunerated by the Corporation for the geological and administrative services he renders to the Corporation through his holding company.

#### *Other Board Committees*

The board has one committee, the audit committee. The information on the audit committee is set out under the heading "Audit Committee" below.

#### *Assessments*

The Chairman of the board is responsible for assessing the effectiveness of the board as a whole and of individual directors and for making recommendations when appropriate. The audit committee has the responsibility for assessing its own performance.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

#### *Nomination and object*

The Audit Committee (the "Committee") is nominated by the Corporation's board of directors. The Committee assists the board of directors when exercising its responsibilities in financial matters, in particular:

1. examining and ensuring the integrity of the Corporation's financial statements;
2. supervising the setting up and management of policies and directives related to financial information and internal control matters;
3. ensuring that all legal and regulatory requirements concerning verification and internal controls are respected by the Corporation; and
4. ensuring the independence, the qualifications and the productivity of the Corporation's external auditors.

The Committee is responsible for selecting the Corporation's auditors (subject to approval by the board of directors and the shareholders), their compensation and the supervision of their work.

Furthermore, the Committee evaluates and supervises the risk management program and reviews all transactions involving related parties.

### *Composition*

The Committee must be composed of at least three (3) members. Each Committee member must be a member of the Corporation's board of directors. The board of directors may nominate the chairman of the Committee or, failing that, the Committee may nominate the chairman by a majority vote of the full Committee. Committee members must be independent and meet all financial requirements required under Multilateral Instrument 52-110 on audit committees (hereinafter "MI 52-110"). The members of the Committee must meet all other requirements of relevant regulatory authorities. In particular, all members must meet the definition of "independent" directors, meaning that they are not officers of the Corporation and have no interest or relationship, including business relationships but excluding interests or relationships arising out of financial holdings in the Corporation, which may reasonably be perceived as constituting an impediment to their acting in the best interests of the Corporation.

### *Audit Committee Responsibilities*

The Committee's mandate consists of the following responsibilities:

1. providing recommendations to the board of directors concerning the nomination or replacement of the Corporation's auditors (subject to shareholder approval);
2. approving the auditors' compensation, their mandate and all non-audit services to be provided to the Corporation by the auditors;
3. supervising the auditors' work (including resolving any disagreements between management and the auditors) with respect to the preparation and publication of an auditors' report or related work;
4. reviewing the unaudited interim statements and the annual audited financial statements and related management discussion and analysis with management and the auditors; discussing auditor questions relating to generally accepted accounting principles, especially as they relate to particular circumstances, procedures and review; discussing the adequacy of internal methods of control affecting the Corporation's financial statements; and recommending the approval by the board of financial statements and management discussion and analysis reports prior to their public release or filing with regulatory authorities;
5. meeting the auditors to discuss and examine the quality and acceptability of the Corporation's accounting principles, and the valuations used in the preparation of its financial statements;

6. discussing and examining with management and the auditors all material matters relating to financial information, including decisions made in the preparation of the Corporation's financial statements;
7. examining any major changes relating to the Corporation's accounting principles and procedures as recommended by the auditors or by management;
8. review and examination with management of financial data to be disclosed, including press releases disclosing earnings, financial information and results as may be supplied to analysts and credit agencies;
9. reviewing and evaluating the effectiveness of the Corporation's procedures for properly evaluating material risks or exposure to risks, and the measures taken by management for material monitoring and controlling such risks;
10. examining with management and the auditors:
  - a. the effectiveness or weakness of the Corporation's internal methods of control, including the overall state of adequacy of information systems and security; and
  - b. material findings and recommendations of the auditors and management's response thereto, including timetables for putting into effect recommended changes to internal control mechanisms;
11. preparing such reports, attestations and other documents evidencing the Committee's review of financial information as may be required under applicable securities regulation and stock exchange requirements;
12. recommending to the board of directors the engagement of legal counsel, accountants or other consultants to advise the Committee, and to undertake or authorize enquiries on any matter which falls within its mandate;
13. requiring the attendance of any director, employee, auditor or independent legal counsel at Committee meetings or meetings with any member or consultant of the Committee;
14. instructing the auditors to disclose to the Committee the existence of any actual difficulties or disagreements with management;
15. meeting separately and periodically with members of management, in particular the chief financial officer, and the auditors;
16. evaluating the auditors' productivity and, if the Committee believes it to be necessary, recommending to shareholders that the auditors be replaced;
17. establishing procedures: i) for receiving, retaining and processing complaints received by the Corporation regarding its accounting and auditing issues; and ii) for presenting, on a confidential and anonymous basis, employee concerns relating to its accounting and auditing issues;
18. reviewing disclosure by the chief executive officer and the chief financial officer in light of applicable securities regulation and stock exchange requirements, including with respect to internal controls on evaluation and disclosure;
19. reviewing and re-evaluating on an annual basis the relevance of this charter and providing recommendations to the board of directors on proposed modifications; and
20. reviewing, on an annual basis, the Committee's own performance.

## Composition of the Audit Committee

The members of the Committee are Messrs. Florent Baril, Gabor Jellinek and Kenneth Lester. Each member is considered “financially literate” and “independent” as such terms are defined in MI 52-110.

## Relevant education and work experience

Florent Baril is President of Bumigeme Inc, a mining, geological and metallurgical consulting firm.

Gabor Jellinek is president of G.J. Holdings Inc., a private investment company.

Kenneth Lester is president of Lester Asset Management, an investment company, and adjunct professor in the Faculty of Management of McGill University.

## Reliance on certain exemptions

Since the beginning of the Company’s most recently completed financial year, the Company has not benefited from any exemptions under MI 52-110.

## Audit Committee Oversight

Since the beginning of the Company’s most recently completed financial year, the Committee has not made any recommendations concerning the nomination and compensation of external auditors which were not adopted by the board of directors.

## Pre-approval policies and procedures

The Committee has not adopted any specific policy or procedure concerning the granting of contracts for non-audit related services.

## External auditor service fees

The total fees billed by the Corporation’s external auditors for services rendered within the past two fiscal periods are as follows:

Fiscal year ended	Audit fees	Audit-related fees	Tax fees <sup>(1)</sup>	All other fees
March 31, 2010	\$12,000	Nil	\$3,700	\$Nil
March 31, 2009	\$12,000	Nil	\$3,700	\$192

<sup>(1)</sup> Preparation of tax returns

## ELECTION OF DIRECTORS

The Articles of the Corporation provide for a minimum of three (3) and a maximum of ten (10) directors. The Corporation currently has a board of directors comprised of eight (8) directors. It is proposed to elect the same number of directors, each of which will hold office until the next annual meeting of shareholders, or until the election of his successor, unless he resigns or his office becomes vacant by death, removal or other cause.

**Unless otherwise specifically instructed, the persons whose names are printed on the enclosed form of proxy intend to vote at the Meeting FOR the election of the nominees whose names are set out below to the board of directors.**

The Management of the Corporation does not foresee that any such nominees will be unable or will become unwilling to serve as a director, but in the event that, prior to the election, any vacancies occur in the state of nominees, the persons named in the form of proxy shall have the right to vote for another nominee in their discretion.

<b>Name and province and country of residence</b>	<b>Position with the Corporation</b>	<b>Director of the Corporation since</b>	<b>Principal occupation</b>	<b>Number of shares over which control is exercised<sup>(1)</sup></b>
Florent Baril <sup>(2)</sup> Quebec, Canada	Director	September 5, 2007	President, Bumigeme Inc. (mining, geological and metallurgical consulting firm)	Nil
David Crevier Quebec, Canada	Chairman of the Board and Director	October 5, 1989	Partner, Colby, Monet, Demers, Delage & Crevier L.L.P. (law firm)	7,837,891 <sup>(3)</sup>
René Dufour Quebec, Canada	Director	February 13, 1991	Consultant	60,000
Denis Francoeur Quebec, Canada	Director	September 5, 2007	Professional geoscientist (member of the APGO)	40,000
Gabor Jellinek <sup>(2)</sup> Quebec, Canada	Director	June 18, 2003	President, G.J. Holdings Inc. (private investment company)	2,444,731 <sup>(4)</sup>
Kamil Khobzi Quebec, Canada	President, Chief Executive Officer and Director	September 29, 1993	President, Cancor Mines Inc. (consulting engineer)	523,056
Kenneth Lester <sup>(2)</sup> Quebec, Canada	Director	June 18, 2003	President, Lester Asset Management (investment company) and Adjunct Professor Faculty of Management McGill University	420,000
Ercan Ugur Quebec, Canada	Chief Financial Officer, Secretary-Treasurer and Director	June 21, 2000	Chief Financial Officer and Secretary-Treasurer, Cancor Mines Inc.	432,234

<sup>(1)</sup> The information with respect to the number of shares controlled has been furnished by the above mentioned individuals.

<sup>(2)</sup> Member of the Audit Committee.

<sup>(3)</sup> 7,437,891 of these shares are beneficially owned by Mr. Crevier and the balance of 400,000 shares is held indirectly (of which 236,000 shares are held through a company controlled by Mr. Crevier and 164,000 shares are held in his RRSP).

<sup>(4)</sup> 1,865,356 of these shares are beneficially owned by Mr. Jellinek and the balance of 579,375 shares is held by a company controlled by Mr. Jellinek.

All of the nominees whose names are hereinabove mentioned have previously been elected directors of the Corporation at a shareholders' meeting for which a proxy management circular was issued.

Except as disclosed herein, to the knowledge of the management of the Corporation, no director or officer of the Corporation or nominee as a director of the Corporation, or any shareholder holding a

sufficient number of securities of the Corporation to affect materially the control of the Corporation, is or has been, within the ten years preceding the date of this information circular, a director or officer of any other corporation which, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the other corporation access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Denis Francoeur, a director of the Corporation, was the Chief Executive Officer and a director of Diagem Inc. which is subject to a cease trading order resulting from Diagem's failure to meet regulatory requirements as a result of insolvency.

David Crevier, a director of the Corporation, was a director of Diagem Inc. Mr. Crevier became a director of Blue Note Mining Inc. which has a subsidiary which filed under the *Companies' Creditors Arrangement Act* ("CCAA") prior to his becoming a director. Subsequently on June 12, 2009 protection was granted to Blue Note Mining Inc. by the Superior Court of Quebec under the CCAA.

## REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

### COMPENSATION OF DIRECTORS

During the year ended March 31, 2010, the directors of the Corporation were not paid any remuneration for their services as such.

### EXECUTIVE COMPENSATION

The following table indicates the compensation received by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation (collectively, the "Named Executive Officers") for the three most recently completed financial years of the Corporation.

**Summary compensation table**

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Kamil Khobzi, President and Chief Executive Officer	2010	-	-	\$450	-	-	-	\$139,549	\$139,999
	2009	-	-	\$4,900	-	-	-	\$136,679 <sup>(2)</sup>	\$141,579
	2008	-	-	\$13,650	-	-	-	\$133,770 <sup>(2)</sup>	\$147,420

					Non-equity incentive plan compensation (\$)				
Name and principal position	Year	Salary (\$)	Share- based awards (\$)	Option based awards <sup>(1)</sup> (\$)	Annual incenti- ve plans	Long term incentive plans	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Ercan Ugur, Chief Financial Officer	2010	\$49,927	-	\$300	-	-	-	-	\$50,227
	2009	\$51,230	-	\$1,225	-	-	-	-	\$52,455
	2008	\$48,098	-	\$7,800	-	-	-	-	\$55,898

- (1) This amount represents the grant date fair value of the stock options granted under the share option plan, which was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used in such calculation:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Risk-free interest rate	1.85%	2.9%	4.35%
Expected life	2 years	2 years	2 years
Expected volatility	75%	81%	67%
Expected dividend yield	0%	0%	0%

- (2) This compensation represents professional fees of Mr. Khobzi for the geological and administrative services he rendered to the Corporation.

### *Consulting Agreement*

The Corporation entered into a consulting agreement effective January 1, 2004 with Kamil Khobzi & Associates Inc., a corporation of which Mr. Kamil Khobzi, the President and Chief Executive Officer of the Corporation, is the sole shareholder. Under this agreement, Mr. Khobzi provides geological and administrative services to the Corporation in consideration of a remuneration of \$125,000 per year, which is increased yearly at the inflation rate. This agreement may be terminated at any time by five months prior written notice.

### *Report on Executive Compensation*

Reference is made to “Remuneration of Directors and Senior Officers – Executive Compensation – Consulting Agreement” for details on the compensation received by the Chief Executive Officer of the Corporation. The board of directors of the Corporation determines the annual salary of the Chief Financial Officer of the Corporation by taking into consideration his responsibilities and his performance and by reviewing industry data for similar executives in the mining industry. The process to determine the remuneration consists only of discussions among the board members, without any specific objectives or criteria. No other compensation is paid to the Named Executive Officers other than share options under the share option plan of the Corporation. There is no specific time periods or circumstances which might trigger a grant of options. The options are granted by the board of directors at any given time at its discretion when deemed appropriate. The number of options granted is determined by taking into consideration assigned responsibilities and the performance of each of the officers. Previous grants of options are also taken into account when considering new grants. The granting of share options aims to retain executive officers by allowing them to participate in the Corporation’s success. The process to determine the number of options granted consists only of discussions among the board members. See “Remuneration pursuant to Plans – Share Option Plan” below for details on the share option plan of the Corporation.

## REMUNERATION PURSUANT TO PLANS

### Securities authorized for issuance under Equity Compensation Plans

The following table sets forth information in respect of common shares authorized for issuance under the equity compensation plan of the Corporation as at March 31, 2010.

Plan Category	Number of shares to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders  - Share Option Plan	2,500,000	\$0.21	79,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A

#### *Share Option Plan*

The share option plan of the Corporation (the "Plan") established for the benefit of the Corporation's directors and officers was amended by the shareholders on June 17, 1999 to increase the number of shares reserved for issuance under the Plan from 1,500,000 to 2,000,000 shares. At the annual meeting held on August 11, 2006, the shareholders of the Corporation approved amendments to the Plan which increased the number of shares reserved for issuance under the Plan from 2,000,000 to 3,000,000 shares and which allowed for the participation in the Plan of employees of the Corporation and persons or companies who are engaged by the Corporation to provide management or consulting services for the Corporation.

Under the Plan, an optionee cannot be given options to acquire common shares representing more than 5% of the issued and outstanding capital stock. Options are non-transferable and must be exercised within a period of five (5) years from the date of grant. In the event of the death of an optionee, the option period shall terminate twelve (12) months after the date of death. If an optionee's office terminates for any cause other than death, the option period shall terminate ninety (90) days following the date of termination of employment. The exercise price per share is determined as being the closing price of the Corporation's shares on the Canadian National Stock Exchange on the trading day immediately preceding the date of the grant.

The Board may at any time and from time to time, amend, suspend or terminate the Plan in whole or in part subject to the approval of regulatory bodies. No such amendment, suspension or termination may, without the consent of an optionee to whom an option shall previously have been granted, adversely affect the rights of such optionee.

During the financial year ended March 31, 2010 options giving the right to purchase an aggregate of 425,000 shares of the Corporation at a price of \$0.05 per share were granted to the directors and officers under the Plan and options to purchase an aggregate of 350,000 shares of the Corporation at an average price of \$0.35 per share expired.

### Outstanding option-based awards

The following table sets forth, for each Named Executive Officers, all options based awards outstanding as at March 31, 2010.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Value on vesting dates <sup>(2)</sup>
Kamil Khobzi, President and Chief Executive Officer	150,000	0.26	20-09-2010	0	0
	175,000	0.30	21-09-2011	0	0
	175,000	0.20	4-09-2012	0	0
	100,000	0.11	22-09-2013	0	0
	75,000	0.05	21-09-2014	\$1,125	0
Ercan Ugur, Chief Financial Officer	75,000	0.26	20-09-2010	0	0
	100,000	0.30	21-09-2011	0	0
	100,000	0.20	4-09-2012	0	0
	25,000	0.11	22-09-2013	0	0
	50,000	0.05	21-09-2014	\$750	0

(1) The value is based on the closing price of the common shares of the Corporation on the Canadian National Stock Exchange on March 31, 2010, which was \$0.065.

(2) Value that would have been realized if the options had been exercised on the vesting dates. The options granted under the Plan have no vesting period.

### INTEREST OF INSIDERS AND OTHER PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or in the audited financial statements of the Corporation for the fiscal year ended March 31, 2010 and the related management's discussion and analysis, the Corporation is not aware that any of the directors, nominees or officers of the Corporation or any persons associated or otherwise related to any of them has had an interest in any material transaction carried out since the commencement of the last fiscal year of the Corporation and which has materially affected or is likely to materially affect the Corporation.

### APPOINTMENT OF AUDITORS

KPMG LLP have been the auditors of the Corporation since September 29, 1995.

Unless otherwise specifically instructed, the persons whose names are printed on the enclosed form of proxy intend to vote at the Meeting FOR the appointment of KPMG LLP, Chartered Accountants, as auditors for the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

## OTHER MATTERS

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments which may validly be brought to the matters identified in the Notice and with respect to any other matter as may properly come before the Meeting. As of the date of this Circular, the Management of the Corporation is not aware of, nor does it anticipate any such amendments or other matters.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found in the Annual Information Form of the Corporation dated June 29, 2009 and in the Corporation's other disclosure documents, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Corporation is provided in the Corporation's annual financial statements for the year ended March 31, 2010 and the related management's discussion and analysis (the "MD&A"). Shareholders who wish to obtain a copy of the financial statements and MD&A of the Corporation may contact the Corporation as follows:

By phone: (514) 849-3013

By fax: (514) 384-6399

By e-mail: [khobzi@cancor.ca](mailto:khobzi@cancor.ca)

By mail: Cancor Mines Inc.  
110 Cremazie Boulevard West  
Suite 430  
Montreal, Quebec H2P 1B9

## APPROVAL OF CIRCULAR BY THE DIRECTORS

The contents and the sending of this Information Circular to the shareholders of the Corporation have been approved by the directors of the Corporation.

Montreal, Quebec, August 3, 2010

*(s) Ercan Ugur*

Ercan Ugur  
Secretary-Treasurer