

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: CANCOR MINES INC. (The "Issuer").

Trading Symbol: KCR

Number of Outstanding Listed Securities: 67,595,826

Date: September 2, 2010

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report 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 month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report 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 items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the 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.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The company continued its exploration program on its gold properties in Algeria, the details of which are described under Section 3 below.

2. Provide a general overview and discussion of the activities of management.

Management focused its activities on the exploration program being carried out on the properties of the Issuer in Algeria. The president, Mr. Kamil Khobzi, is planning a trip to Algeria on September 21 until the second week of October in preparation for the second wave of field work that will commence during the month of October.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

At time of reporting last month, results were pending for both the Tan Chaffao East and Tan Chaffao West properties. During the month, these results were received.

On Tan Chaffao East, recent work comprised of geological reconnaissance of the license, and GPS surveying of most of the existing historical surface works. A mapping of the deposit and a geological reconnaissance of two additional gold showings have been completed. Six existing trenches totaling 152m were opened up and systematically sampled through channel sampling resulting in 152 samples that were sent for analysis. Three mineralized zones of the known deposit were the focus of our recent work: the South-West, the Central and the North-East blocks. Cancor opened up six trenches. 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

On Tan Chaffao West, 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.

For further information please consult our press release dated August 4th.

Reports and data compilation is still ongoing. The company is planning to resume field work in October after the heat season in the Sahara.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No drilling, exploration or production programs were amended or abandoned during the month of August 2010.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

In August 2010, the Issuer did not enter into any business relationships.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

In August 2010, no agreements or contracts expired or were terminated by the Issuer and no financing arrangements were cancelled.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship..

Not applicable for the month of August 2010.

8. Describe the acquisition of new customers or loss of customers.

Not applicable for the Issuer.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable for the Issuer.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable for the month of August 2010.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

None

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable for the month of August 2010

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

a. All of the properties on which the Issuer owns or on which the Issuer has an option to earn an interest are currently in the exploration stage only and are without known bodies of commercial ore or minerals. Development of any of the properties will only follow upon obtaining satisfactory results of property assessment.

b. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into production mines. There is no assurance that the Issuer’s exploration and development activities will result in any discoveries of commercial bodies of ore or minerals. The long-term profitability of the Issuer’s operations will be in part directly related to the cost and success of its exploration and subsequent evaluation programs, which may be affected by a number of factors. These include the particular attributes of the mineral deposit including the quantity and quality of the ore, proximity to or cost to develop infrastructure for extraction, financing costs, mineral prices and the competitive nature of the industry.

c. Governmental regulations including those relating to prices, taxes, royalties, land tenure and use, the environment and the importing and exporting of minerals are of key importance to the Issuer. The effects of these factors cannot be accurately predicted, but any combination of them may result in the Issuer not receiving an adequate return on invested capital.

d. Substantial expenditures are also required to establish reserves, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. In the absence of cash flow from operations, the Issuer relies on capital markets and joint venture partners to fund its exploration and evaluation activities. There can be no assurance that adequate funding will be available for these purposes when required.

Certificate Of Compliance

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 Certificate of Compliance.
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 7 Monthly Progress Report is true.

Dated September 2, 2010.

Kamil Khobzi
Name of Director or Senior
Officer

Signature
President, CEO & Director
Official Capacity

Issuer Details	For Month End	Date of Report YY/MM/DD
Name of Issuer Cancor Mines Inc.	August 2010	10/09/02
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	