ZINCORE METALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Three and Six Month Periods Ended June 30, 2007

ZINCORE METALS INC.

Three and six month periods ended June 30, 2007

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries, ("Zincore" or the "Company") for the three and six months ended June 30, 2007 should be read in conjunction with the Company's unaudited financial statements for the three and six months ended June 30, 2007 and the Company's audited financial statements for the period from April 1, 2006 until December 31, 2006 available on the Company's website at www.zincoremetals.com or on SEDAR at www.sedar.com. This report has taken into account information available up to and including August 7, 2007.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles and presented in Canadian dollars unless otherwise noted.

The Company has commenced exploration of its mineral properties and has not yet determined whether these properties contain ore reserves. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

FORWARD-LOOKING STATEMENTS

Statements in this MD&A that are forward looking are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in Zincore's Annual Information Form ("AIF") dated March 26, 2007 which is filed on SEDAR and available on Zincore's website at www.zincoremetals.com. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. Zincore does not assume the obligation to update any forward-looking statements other than as required pursuant to applicable securities laws.

DESCRIPTION OF BUSINESS

The Company is engaged in the exploration and development of zinc mineral properties located in Peru. Zincore's properties are in the exploratory stage and are thus non-producing and consequently do not generate operating income or cash flow from operations. The Company is dependant on additional equity or debt capital or divestitures to finance its activities.

Zincore is focused on exploration, definition drilling and a technical study at its Accha-Yanque property as well as conducting initial exploration at its other properties to further assess potential and develop more detailed exploration programs. Zincore is also pursuing opportunities to add high-potential properties to its portfolio.

Zincore's near term success will be measured by its ability to increase the amount and quality of its zinc mineral resources and by its ability to advance its projects towards development decisions.

OVERALL PERFORMANCE

For the three month period ended June 30, 2007, the Company incurred a net loss of $851,226 relating to its operations, exploration and development activities on its properties. The Company used $2,775,105 in cash, inclusive of $261,100 of cash from financing activities, during the quarter on operations and exploration and development of which $2,429,639 was capitalized to mineral properties or plant and equipment. Cash used in investing activities increased from the first quarter of the year reflecting the planned increase in drilling and technical activity, principally related to the Accha-Yanque property.

At June 30, 2007, the Company continued to have a strong financial position with $12.6 million in cash and cash equivalents on hand, no debt and minor fixed exploration and property maintenance commitments.

The Company continued its strategy of exploration and technical work on its 100% owned Accha-Yanque property.

During the quarter, 23 exploration and definition diamond drill holes were completed with results being released during the quarter and subsequent to quarter end. Drilling during the quarter focused on better defining the western portion of the deposit and on expanding it to the west. Metallurgical test work to pre-concentrate the Accha ore through dense media separation ("DMS") and flotation to reduce the acid-consuming calcium within the ore has largely been completed. Work continues on completing the flow sheet and determining mass balances. Preliminary work has also commenced on Yanque ore samples from historical drill core.

Zincore added another exploration opportunity to its portfolio by executing a binding letter of intent to acquire up to 70% of a Nevada located zinc oxide property called Antelope from AuEx Ventures, Inc. The Company has completed due-diligence and is drafting definitive agreements. The Antelope property hosts surface outcropping zinc oxide mineralization and within the next twelve months Zincore expects to complete geological mapping of the property and drill test certain targets.

RESULTS OF OPERATIONS

	Quarter Ended June 30, 2007	Quarter Ended June 30, 2006
General exploration expense	**$ 266,338**	$ 78,399
Consulting and management expense	**$ 243,323**	$ 93,474
Other general and administrative expenses	**$ 216,196**	$ 29,066
Foreign exchange loss (gain)	**$ 255,412**	$ 1,612
Interest income	**$ 130,043**	$ 1,622
Net loss	**$ 851,226**	$ 200,929
Net loss per share	**$ 0.01**	N/A
Total assets	**$ 20,902,432**	$ 3,070,974
Mineral properties and plant & equipment	**$ 8,101,684**	$ 2,591,709

As Zincore completed its initial public offering ("IPO") in November 2006, it had not commenced active operations during the quarter ended June 30, 2006, and, therefore, detailed analysis of the changes of current quarter against last year's quarter are not meaningful. The results of the quarter ended June 30, 2007 reflect the increase in management, exploration, general activities and spending associated with Zincore being a public company with an active exploration program in Peru.

Interest income increased from $1,622 in the first quarter ended 2006 to $130,043 in the second quarter ended 2007 due to the increase in cash balances as a result of completing the Company's IPO in November, 2006 which raised gross proceeds of $20 million including exercise of the over-allotment option.

Included in the quarter ended June 30, 2007 is stock based compensation expense totalling $218,561. Of this amount, $90,061 related to consulting and management, $69,271 to general exploration and $59,229 to office expense (general and administrative) and such amounts are included in the respective expense lines. There was no stock based compensation expense in the quarter ending June 30, 2006.

During the quarter, general exploration expenses were related mainly to early stage properties in Peru and on due-diligence relating to the Antelope property.

PROPERTY REVIEW

Accha-Yanque Property

Zincore's current exploration and development activities are concentrated on the Accha-Yanque property in Peru. During the quarter, Zincore deferred $2.13 million in expenditures on the Accha-Yanque property. Of this amount, $1.63 million related to the ongoing drilling program and related exploration activities on the Accha deposit. Since commencement of the drilling program in late 2006, the company has drilled over 60 diamond drill holes for 16,500 metres at the Accha property. Technical work has focused on the metallurgical process flow sheet for the pre-concentration and leaching of the Accha ore.

The Accha drill program objectives are to infill the drilling density within historical mineral resources and explore to extend the deposit principally to the west as well as to depth. Since March 31, 2007, the Company released the assay results of 23 holes.

On May 10th, Zincore announced results from 13 drill holes. Eight holes were in the western portion of the deposit aimed at extending and infilling the mineralization in this area. The highlights of this drilling included hole AC-42 which intersected 64 metres of 9.7% zinc from 129 metres including intervals of 17 metres at 14.5% zinc and 13 metres at 16.7% zinc. Hole AC-42 was drilled 50 metres west of any previous reported drilling. In addition, hole AC-33, drilled 150 metres west of AC-42, intersected 18 metres at 6.4% zinc from 361 metres.[1]

The other five holes were drilled in the central and eastern portions of the deposit, principally to infill previous drilling and confirm the mineralization at depth. Highlights of this drilling included holes with intersections of:

- 15 metres at 9.8% zinc from 8 metres and 24 metres at 18.6% zinc from 46 metres and
- 32 metres at 4.8% zinc from 23 metres.

On July 19, 2007, Zincore announced further results from 10 drill holes all of which were drill in the western areas of the Accha deposit. Highlights of the drilling included holes with intersections of[2]:

- 30 metres at 6.3% zinc including 6 metres at 16.2% zinc from 159 metres,
- 17 metres at 4.2% zinc including 5 metres at 10.4% zinc from 309 metres,
- 26 metres at 4.0% zinc including 3 metres at 9.2% zinc from 359 metres and
- 8 metres at 5.8% zinc from 254 metres.

The drilling program continued into the third quarter and includes exploration holes that will target a northern limb of the main anticline structure. An updated mineral resource estimate for Accha is expected to be completed in the third quarter of this year. With the bulk of the planned drilling complete at Accha, the focus of drilling activities will shift from Accha to Yanque during the third quarter in order to complete the required drilling at Yanque in advance of the pre-feasibility study.

At the Yanque deposit, 30 kilometres southwest of Accha, Zincore has received a drilling permit from the Peruvian Ministry of Energy and Mines and has signed a drilling contract with Bradley MDH SAC. Field preparations including surface sampling and mapping, camp installation and preparation of drill platforms, are nearing completion and drilling will commence during the second week of August. A 10,000 metre drill program is planned at the Yanque deposit.

Zincore is pursuing a development plan which includes processing of the concentrates obtained from the zinc oxide mineralization using acid leaching with solvent extraction and electrowinning technology. Metallurgical test work conducted by Mintek with supervision and preliminary process design by Green Team International ("GTI") is well advanced on the Accha ore. During the quarter, the Company shipped Yanque samples from the historical drilling to GTI to allow preliminary test work to commence. As soon as drilling commences at Yanque, new samples will be shipped to GTI. The initial focus of GTI's work has been on pre-concentration using DMS and flotation to separate zinc minerals from the host limestone prior to the ore leaching process.

During the quarter Zincore continued to add to its technical team by retaining Pincock, Allen & Holt to complete the mine plans for the pre-feasibility study. In addition the Company bolstered its internal capabilities by adding Greg McCunn, P.Eng. as Vice President, Project Development. Mr. McCunn is an experienced metallurgist, project engineer and project manager. Paul Schmidt who has been leading the technical work in a consulting role will remain a consultant to the Company providing expert advice. At quarter end, the Company had a site team of 35 including seven geologists.

Other Exploration Properties

The Company's community relations team held discussions with members of the communities around the Cerro Condorini project. An exploration project is being planned which would result in activities on the project starting in the third quarter of 2007. Limited activity occurred at the other properties within the portfolio.

[1] For full details see Zincore's press release dated May 10, 2007 available on its website at www.zincoremetals.com or on SEDAR at www.sedar.com

[2] For full details see Zincore's press release dated July 19, 2007 available on its website at www.zincoremetals.com or on SEDAR at www.sedar.comf

QUARTERLY FINANCIAL INFORMATION

Fiscal quarter ended	**June 30, 2007**	March 31 2007	Dec. 31 2006	Sept. 30 2006	June 30, 2006	March 31, 2006
Interest Income	**$130,043**	$151,170	$108,721	$806	$1,622	$640
Net loss	**$(851,226)**	$(874,420)	$(969,754)	$(395,620)	$(200,929)	$(28,092)
Net loss per share	**$(0.01)**	$(0.01)	$(0.03)	$(0.03)	N/A	N/A
Total assets	**$20,902,432**	$21,543,888	$21,927,177	$3,594,188	$3,070,974	$2,426,143
Financial liabilities	**$391,720**	$661,609	$506,380	$1,216,985	$3,400,627	$2,554,867
Cash dividends per share	**Nil**	Nil	Nil	Nil	Nil	Nil

The above selected consolidated financial data has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the Company's unaudited consolidated financial statements for the period ended June 30, 2007.

Zincore became a public company in November 2006 with the closing of its IPO on November 8, 2006. Since that time overall spending levels have increased commensurate with the increase in the Company's exploration, development and corporate activities.

The second quarter 2007 net loss was $851,226 compared to a loss of $874,420 in the first quarter of 2007. The lower quarterly loss resulted from a reduction in stock-based compensation expense, lower exploration and general and administrative spending partially offset by higher foreign exchange loss. Stock-based compensation expense decreased from $335,901 in the first quarter of 2007 to $218,561 in the second quarter of 2007 due to timing of option vesting schedules. General exploration decreased from $232,283 (net of stock-based compensation expense allocation) in the first quarter of 2007 to $197,068 (net of stock-based compensation expense allocation) due to lower due-diligence costs on the Antelope property relative to a property that was being evaluated in the first quarter of 2007. Consulting and management fees were similar quarter-on-quarter as staffing levels remained stable but general and administrative costs in the second quarter of 2007 were $156,967 compared to $256,691 in the first quarter of 2007 due to a reduction in company start-up costs, the absence of year-end reporting costs and a reduction in the administrative service agreement with Southwestern Resources Corp. ("Southwestern")[3] upon establishing a standalone office in March. Lower spending was partially offset by an increase in foreign exchange loss from $34,128 in the first quarter of 2007 to $255,412 in the second quarter of 2007. This increased loss was driven by the strengthening Canadian dollar impacting the revaluation of non-Canadian dollar denominated monetary assets and liabilities.

Interest income of $130,043 was lower in the second quarter of 2007 as compared to the first quarter due to lower cash balances.

The decrease in total assets in the second quarter of 2007 reflects principally the use of cash for non-capitalized expenditures principally related to management, general exploration and general and administrative costs.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Zincore is a mineral exploration company and as such is not in commercial production at any of its mineral properties and, accordingly, it does not generate cash from operations. The Company intends to finance its activities by raising capital through the equity markets.

The Company had working capital of $12,333,688 at June 30, 2007 compared to working capital of $14,887,482 at March 31, 2007 and $17,332,644 at December 31, 2006. The quarter-on-quarter decreases in working capital resulted from lower cash balances as a result of planned expenditures on exploration, development, management and other operating

[3] See "Related Party Transactions" later in this MD&A for further information.

activities. The Company remains in a strong financial position to fund its planned exploration and development programs.

Zincore's cash position at June 30, 2007 was $12,603,143. The Company had no long-term liabilities and current liabilities of $391,720. Accounts payable related principally to drilling costs and other expenditures incurred at the Accha-Yanque property. An amount due to affiliated companies of $78,943 was an intercompany payable in favour of Southwestern relating to employees who provided services to Zincore outside of the scope of the services agreements.

The Company's material contractual obligations include an office lease agreement for its corporate office in Vancouver. The lease is for a four-year term commencing on April 1, 2007 and expiring on March 31, 2011. The agreement covers rent and operating expenses which are currently estimated at $9,905 per month.

Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years
Operating lease obligations	$445,725	$118,860	$237,720	$89,145

For 2007, Zincore has no commitments for capital expenditures and required exploration and development expenses are limited to $220,000[4] in exploration on the Cerro Condorini properties. The Company anticipates having required corporate and exploration expenses on the Antelope property totaling $66,000[5] during the 12 month period after definitive agreements are executed. During the final two quarters of 2007, the Company expects to spend approximately $4.8 million on exploration and development of the Accha-Yanque property and $735,000 on exploration at other properties. The majority of these expenditures will be capitalized to mineral properties. Net corporate and other exploration costs in Canada and Peru are expected to total approximately $1.0 million for the remainder of 2007.

The Company has financial resources that exceed its planned 2007 exploration and technical study expenditures and corporate costs. The success of exploration programs and other property transactions can have a significant impact on spending requirements. Should the Company decide to accelerate its programs, add new property programs or further develop any of its properties, additional capital may be required and no assurance can be given as to the ability of the Company to raise such required capital. Zincore has no pre-arranged sources of debt financing.

The Company is exposed to foreign exchange risks as it holds the majority of its cash balances in Canadian dollars and incurs expenses principally in Canadian and US dollars, Peruvian soles and the South African rand. A weakening of the Canadian dollar relative to these currencies would result in a higher reported exploration and development expense.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

Zincore has entered into an Administrative Services Agreement with Southwestern whereby Southwestern agreed to provide the Company with accounting and corporate secretarial services in Canada and services in China. This agreement was amended from $16,000 per month to $10,500 per month effective April 1, 2007. Exploraciones Collasuyo S.A.C ("Collasuyo"), the Company's indirect wholly-owned subsidiary, entered into an Outsourcing Operating Assistance Services Agreement with Southwestern's indirect wholly owned subsidiary Minera del Suroeste ("MISOSA"), whereby MISOSA agreed to provide Collasuyo with office space, use of MISOSA's facilities and secretarial and accounting services in Peru. This agreement was amended from $12,650 (US$11,500) per month to $8,965 (US$8,150) per month effective February 1, 2007 and to $7,975 (US$7,250) effective August 1, 2007 reflecting Collasuyo's reduced use of services as it has hired additional employees. During the quarter ended June 30, 2007,

[4] Cerro Condorini and other commitments that are in United States dollars and have been converted to Canadian dollars at 1.10 CAD/USD.

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the Company paid a total of $67,862 to Southwestern and MISOSA under these services agreements.

During the three month period ended June 30, 2007, Zincore paid $36,250 for management services under an agreement with a company controlled by a director who is also an officer of the Company.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, advances and other receivables, accounts payable and payables due to an affiliated company. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Acquisition costs of mineral properties together with direct exploration and development expenditures are capitalized. When production is attained these costs will be amortized. When capitalized expenditures on individual properties exceed the estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written off when the decision to abandon is made.

The Company's financial assets and liabilities are cash and cash equivalents, advances and other receivables, payables due to affiliated companies and accounts payable and accrued charges. The fair values of these financial instruments are estimated to be their carrying values due to their short-term or demand nature. Cash and cash equivalents includes those short-term money market instruments which, on acquisition, have a term to maturity of three months or less and expose the Company to minimal risk.

CICA Handbook section 3870 Stock-Based Compensation and Other Stock-Based Payments establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. Compensation expense is determined using the Black-Scholes Option Pricing Model based on estimated fair values of all stock-based awards at the date of grant and is expensed to operations over each award's vesting period.

The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective as of January 1, 2007, the Company adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Comprehensive income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company reports a consolidated statement of loss, comprehensive loss and deficit and a new category, accumulated other comprehensive income, is added to the shareholders' equity section of the consolidated balance sheet for any unrealized gains and losses in financial assets classified as available-for-sale. The Company had no "other comprehensive income or loss" transactions during the three and six months ended June 30, 2007 and no opening or closing balances for "accumulated comprehensive income or loss".

Financial Instruments – recognition and measurement (CICA Handbook Section 3855) and disclosure and presentation (CICA Handbook Section 3861).

In accordance with this new standard, the Company now classifies all financial instruments as held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other financial liabilities. Financial instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in operating results. Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Financial instruments classified as held-to-maturity, loans and receivables or other financial liabilities are measured at amortized cost.

Upon adoption of these new standards, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued charges are classified as other liabilities, which are measured at amortized cost.

During the three and six months ended June 30, 2007, the Company had neither available-for-sale nor held-to-maturity financial instruments.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, the Company has an unlimited number of common shares authorized for issuance, with 77.1 million common shares issued and outstanding. Of these 38.1 million or 49.4% are owned by Southwestern.

During the quarter 29,000 options were exercised by employees or consultants for proceeds of $14,500. As at the date of this MD&A, Zincore has 4,505,000 options outstanding with an average exercise price of $0.56 per option of which 1,783,477 have vested and are available for exercise.

During the quarter 493,199 warrants relating to its IPO were exercised into common shares for proceeds of $246,600. As at the date of this MD&A, the Company had 1,976,801 warrants outstanding with an exercise price of $0.50 per warrant available for exercise before November 7, 2007.

The Company has two classes of preferred shares authorized with none issued.

OUTLOOK

The Company's principal efforts during the balance of 2007 will be focused on the Accha-Yanque project where Zincore expects to spend $4.8 million on exploration and development over the final two quarters of the year. Key milestones for the project include a National Instrument 43-101 compliant mineral resource estimate for the Accha deposit in the third quarter, an updated mineral resource estimate on the Yanque deposit in the fourth quarter and completion of a pre-feasibility study for the Accha-Yanque Project in early 2008.

DISCLOSURE CONTROL AND PROCEDURES

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Management is also responsible for the design and maintenance of effective internal control over financial reporting to provide reasonable assurance regarding the integrity and reliability of the Company's financial information and the preparation of its financial statements in accordance with Canadian generally accepted accounting principles. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company has a Disclosure Policy and a Disclosure Committee in place to mitigate risks associated with the disclosure of inaccurate or incomplete information.

As required by Multilateral Instrument 52-109, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was conducted as of December 31, 2006 by and under the supervision of management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were operating effectively as of December 31, 2006.

There have been no changes in internal control over financial reporting during the six month period ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.