ZINCORE METALS INC.

Second Quarter Report

For the quarter ended June 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter ended June 30, 2008
All figures in Canadian dollars unless otherwise noted

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, 2008 should be read in conjunction with the Company's unaudited interim financial statements for the three and six months ended June 30, 2008 and the audited financial statements for the year ended December 31, 2007, both of which are available on the Company's website at www.zincoremetals.com or on the SEDAR website at www.sedar.com. Additional information relating to the Company, including its Annual Information Form ("AIF") dated March 10, 2008, is also available on SEDAR at www.sedar.com.

This MD&A has taken into account information available up to and including August 6, 2008.

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 is currently engaged in exploration and development of mineral properties and does not have any operating assets. The recoverability of the amounts shown for mineral properties and related deferred costs is dependant upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, 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 AIF. 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

Zincore is engaged in the exploration and development of zinc mineral properties, located principally in Peru. Zincore's properties are in the exploration 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 technical studies at its Accha-Yanque property in Peru. The Company is also 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 mineral resources and reserves and by its ability to advance its projects toward development decisions.

OVERALL PERFORMANCE

Zincore significantly advanced the Accha-Yanque property during the second quarter of 2008 with the focus being exploration activity on the Yanque deposit.

In May 2008 Zincore released the results of a pre-feasibility study ("PFS") completed on the Accha deposit. The PFS assessed the technical viability of a mining and concentrator operation at Accha and also looked at the economics of selling the produced concentrate to third parties. The PFS concluded that Accha could produce 130,000 tonnes of oxide concentrate containing 77 million pounds of zinc per year over a seven-year mine life at site costs of U.S.$0.28 per pound, with pre-production capital costs totalling approximately U.S.$65 million.

Also during the second quarter of 2008, drilling resumed at the Yanque property following receipt of an expanded drill permit and the conclusion of the rainy season in southern Peru. A step-out drilling program is planned at Yanque to expand the deposit and define its limits, particularly to the north and south. Also during the second quarter, core samples from the 2007 drill program at Yanque were sent to Johannesburg for metallurgical testing.

For the quarter ended June 30, 2008, Zincore incurred a net loss of $985,241 relating to its operations and exploration and development activities on its properties. Mineral property expenditures totalled $2,046,033 for the period, including U.S. $184,000 for annual mineral concession fees in Peru which are generally due in full on June 30 of each year.

At June 30, 2008, the Company had $3.6 million in cash and cash equivalents on hand, with no long-term debt and minor fixed exploration and property maintenance commitments. Exploration expenditures in the second half of the year are expected to be significantly less than in the first half of the year, primarily due to timing of drilling costs and lower technical study costs.

RESULTS OF OPERATIONS

	Quarter ended June 30, 2008	Quarter ended June 30, 2007
General exploration expense	$ 310,520	$ 266,338
Consulting and management fees	$ 123,540	$ 243,323
Other general and administrative expenses	$ 256,807	$ 213,784
Foreign exchange loss	$32,828	$ 255,412
Amortization	$ 2,966	$2,412
Interest and other income	$ 33,754	$ 130,043
Mineral property costs written off	$ 292,334	$ –
Mineral properties and property, plant & equipment	$ 15,285,589	$ 8,101,684

Stock-based compensation expense decreased from $218,561 in the second quarter of 2007 to $47,767 in the second quarter of 2008 due to the timing of vesting schedules related to the initial stock option grant at the time of the Company's initial public offering, additional options granted in the first quarter of 2007, and stock option forfeitures for which stock-based compensation expense recorded for unvested options was reversed. The decrease in stock option expense related to the aforementioned grants was partially offset by the stock option expense related to options granted in the first quarter of 2008. Stock-based compensation expense in the second quarter of 2008 was allocated ($12,176) to consulting and management fees, $34,197 to general exploration and $25,746 to office.

General exploration expense increased from $197,067 in the second quarter of 2007 to $276,323 in the second quarter of 2008, net of stock-based compensation expense allocation. This increase was principally due to higher support and office costs in Peru and costs associated with identifying properties for acquisition through staking in Mexico.

Consulting and management fee expense decreased from $153,262 to $135,716, net of stock-based compensation expense allocation, in the second quarter of 2007 compared to the second quarter of 2008 mainly due to lower costs incurred in services provided by an affiliated company (see Related Party Transactions below).

General and administrative expenses increased from $154,555 during the second quarter of 2007 to $231,061 during the second quarter of 2008, net of stock-based compensation expense allocation. The increase was mainly due to higher legal, accounting, investor relations and offshore subsidiary costs.

For the quarter ending June 30, 2008 the Company incurred a foreign exchange loss of $32,828 compared to $255,412 in the comparative period. Foreign exchange gains and losses result primarily from the translation of U.S. dollar denominated monetary assets to Canadian dollars. The higher losses in 2007 were the result of the significant strengthening of the Canadian dollar relative to the U.S. dollar whereas the Canadian/U.S. dollar exchange rate has been fairly stable during 2008.

Interest and other income decreased from $130,043 to $33,754 in the quarter ending June 30, 2007 compared to the same period in 2008 due to a combination of lower cash and cash equivalent balances and slightly lower interest rates.

The Company incurred a mineral property cost write off expense of $292,334 in the second quarter 2008 versus nil in the same quarter of 2007. The write off related to Zincore's expenditures towards an earn-in on the Cerro Condorini property. This agreement was terminated in June 2008 (see Property Review).

PROPERTY REVIEW

Accha-Yanque Property

The 100%-owned Accha-Yanque property covers more than 45,000 hectares and hosts zinc and lead oxide reserves at the Accha deposit and resources within both the Accha and Yanque deposits: the Accha deposit at the north end of the belt and the Yanque deposit 30 kilometres to the south. Mineralization has been identified in numerous other showings on the property but limited exploration on these has been completed. Zincore's objective for the Accha-Yanque property is to define sufficient mineral resources to justify the construction of a dedicated leach, solvent extraction and electro-winning zinc refinery.

Accha

In 2007 Zincore completed a 16,500-metre exploration and infill drill program on the Accha deposit. The results were integrated into the historical drill database and a NI 43-101 mineral resource estimate was prepared by independent consultant Pincock, Allen & Holt ("PAH") and released on December 6, 2007[1]. The results showed that Accha hosts high-grade, near surface zinc oxide mineralization and reported 5.1 million tonnes of indicated mineral resources at 8.2% zinc and 0.9% lead and 1.4 million tonnes of inferred mineral resources at 5.9% zinc and 0.7% lead.

This resource estimate, combined with metallurgical test work completed during 2007, provided the basis for completion of a PFS on the Accha deposit. Led by SNC Lavalin Chile, the PFS looked at the technical capability of producing zinc oxide concentrates from Accha ore and also assessed the economic merits of selling the zinc oxide concentrates to third parties. The zinc oxide concentrates would also be suitable for shipment to a zinc refinery on the Accha-Yanque belt. On May 1, 2008, Zincore released the results of the PFS[2] that concluded Accha could produce 130,000 tonnes of zinc oxide concentrate grading approximately 27% zinc annually over a seven-year mine life. The PFS estimated site operating costs at U.S.$0.28 per pound and pre-production capital costs at approximately U.S.$65 million. The mine plan is a combination of open pit followed by underground mining to supply ore to a conventional dense media separation, milling and flotation circuit.

As a result of the PFS, a portion of Accha mineral resources were reclassified as mineral reserves, totalling 4.2 million tonnes grading 7.9% zinc and 0.8% lead. A revised technical report on the deposit was filed with SEDAR in June 2008.

The economic analysis of selling the concentrate to third parties estimated a pre-tax net present value at 10% of U.S.$72 million and internal rate of return of 40% at a three-year trailing zinc price of U.S.$1.23 per pound. The concentrate is assumed to be sold to domestic smelters in Peru.

The PFS also identified a number of opportunities to improve the project, principally related to resource increases by infill drilling of the inferred mineral resources to convert them to indicated mineral resources, exploration drilling where the deposit remains open, and lock-cycle metallurgical work aimed at improving the concentrate grade.

The Company intends to complete its 2008 exploration program at Yanque, Accha and on the Accha-Yanque belt before determining the preferred path and timing of moving Accha toward production.

In total during the second quarter of 2008, capitalized expenditures on the Accha deposit totalled approximately $376,000 on exploration related activities and $109,000 on technical and engineering related activities.

Yanque

Zincore drilled 21 holes totalling 2,560 metres at Yanque in 2007 and on March 3, 2008 released an updated mineral resource estimate prepared by PAH. The new estimate represented a 55% increase in tonnes and an 88% increase in contained metal over the previous inferred mineral resource

[1] For full details see press release dated December 6, 2007 available on Zincore's website at www.zincoremetals.com

[2] For full details see press release dated May 1, 2008 available on Zincore's website at www.zincoremetals.com

estimate[3]. All of the resources are near surface and amenable to open pit mining. A technical report relating to this mineral resource estimate was filed on SEDAR in April 2008.

Yanque Deposit Inferred Mineral Resource Estimates

Cut-off grade – zinc plus lead (%)	Tonnes (000's)	Zinc Grade (%)	Lead Grade (%)
6.0	7,520	6.22	6.33
5.5	8,498	5.85	5.92
5.0	9,621	5.44	5.58
4.5	10,258	5.28	5.34
4.0	11,113	5.05	5.08
3.5	12,361	4.74	4.74

1. All mineral resources have been calculated in accordance with the standards of the CIM Definition Standards on Mineral Resources and Mineral Reserves, as required by NI 43-101.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political or other relevant issues.
3. Inferred mineral resources are that part of a mineral resource for which quantity and grade can be estimated on the basis of geological evidence and limited sampling and can be reasonably assumed. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource.
4. Density utilized in the mineral resource estimates was 2.5 tonnes per cubic metre.
5. The mineral resource estimate was prepared by PAH under the direction of Mr. Aaron McMahon, a professional geologist and independent qualified person.
6. Contained zinc and lead represent estimated metal in the ground and have not been adjusted for metallurgical or other recovery factors.

Exploration at Yanque resumed in April 2008 following receipt of an expanded drill permit and conclusion of the rainy season in southern Peru. A step-out drill program is planned for 2008 focusing on expanding the deposit and defining its limits, particularly to the north and south. On May 14, 2008 Zincore released results of the first three holes of this second phase program, including 18 metres of 7.8% zinc and 2.1% lead in hole YA-24 and 14 metres of 3.1% zinc and 0.3% lead in hole YA-23[4].

On July 31, 2008 Zincore released results of further drilling on the Yanque deposit. The drilling continued to extend mineralization to the south outside of the existing inferred mineral resource area. Highlights of this drilling included 28 metres of 7.1% lead and 4.3% zinc including 12 metres of 15.0% lead and 7.4% zinc in hole YA-33 and 13 metres of 6.1% lead and 1.3% zinc and 9 metres of 7.0% lead and 1.8% zinc in hole YA-31[5].

Metallurgical studies on core from two drill holes taken from the 2007 drill program at Yanque are under way at Mintek Laboratories in Johannesburg under the supervision of Green Team International ("GTI"). GTI visited the Yanque property in June 2008 to select further metallurgical samples from the recent drill program to ensure representative samples across the expanded deposit are included in the metallurgical studies. Further metallurgical test work will be ongoing during the current phase of drilling.

In total during the second quarter of 2008 Zincore capitalized expenditures on the Yanque deposit totalling approximately $774,000 on exploration related activities and $90,000 on technical and engineering related activities.

Zincore also expended $158,000 on exploration on other targets along the Accha-Yanque belt.

Other Exploration Properties

At the 100%-owned Minasccasa property, Zincore commenced engaging with the community that controls the surface rights in late 2007 with the objective of obtaining an access agreement to allow exploration work on the property. A meeting involving local and regional authorities was held in March 2008 to discuss issues of interest for the community and to further advance negotiations. During the meeting both support for and opposition to exploration activities on the property were voiced. The Company is currently reviewing its engagement strategy with consultants and is continuing to work to build support for the project.

In October 2006 Zincore entered into agreements with Brett Resources Inc. ("Brett") to earn up to an 80% interest in Brett's Cerro Condorini property in southern Peru by meeting certain exploration expenditure commitments on the property. The agreement required Zincore to expend U.S.$200,000 by June 26, 2008. As of the end of the second quarter of 2008 the Company had met this commitment. However, results from surface sampling, mapping and eight diamond drill holes completed on the property were not sufficiently encouraging to continue with the project. Zincore terminated the agreements on June 23, 2008. As a result, the Company incurred a deferred mineral property write-off of $292,334 during the second quarter of 2008.

QUARTERLY FINANCIAL INFORMATION

The 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 audited consolidated financial statements for the year ended December 31, 2007.

Zincore became a public company 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.

Quarterly expense levels of manageable expenses showed no specific trend and were generally comparable quarter on quarter as Zincore made no significant changes in its management team, staffing levels or scope of activities.

Quarterly variances in net loss have generally been impacted by five key factors: the one-time deferred mineral property write off of the Condorini property expenditures, stock-based

Selected Quarterly Financial Data (unaudited)

Fiscal quarter ended	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Jun 30 2007	Mar 31 2007	Dec 31 2006	Sep 30 2006
Interest income	$33,754	$71,389	$97,973	$117,964	$130,043	$151,170	$108,721	$806
Net loss	$(985,241)	$(842,035)	$(703,186)	$(723,169)	$(851,226)	$(874,420)	$(969,754)	$(395,620)
Net loss per share	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.03)	$(0.03)
Total assets	$19,414,235	$20,399,498	$20,863,704	$20,500,445	$20,902,432	$21,543,888	$21,927,177	$3,594,188
Total liabilities	$550,409	$598,198	$390,135	$395,287	$391,720	$661,609	$506,380	$1,216,985

[3] For full details see press release dated March 3, 2008 available on Zincore's website at www.zincoremetals.com.

[4] For full details see press release dated May 14, 2008 available on Zincore's website at www.zincoremetals.com.

[5] For full details see press release dated July 31, 2008 available on Zincore's website at www.zincoremetals.com.

compensation expense, foreign exchange gains or losses, interest income and general exploration expense. Stock-based compensation expense is impacted by vesting schedules, forfeitures and the number of options granted by the Board. Foreign exchange losses vary based on the strengthening or weakening of the Canadian dollar relative to the U.S. dollar and Peruvian sole, and interest income varies with cash balances and interest rates.

General exploration expense varies depending on the focus of activities within the Company. During periods where the Company is evaluating new opportunities or establishing a presence in a new country, general exploration expense is generally higher than in other periods.

Total assets in the second quarter of 2008 decreased to $19.4 million principally reflecting the write-off of the Cerro Condorini property costs and the use of cash for non-capitalized expenditures primarily 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.

Zincore had working capital of $3,187,339 at June 30, 2008 compared to $8,162,509 at December 31, 2007. Working capital consists of current assets less current liabilities. The decrease resulted from lower cash balances as a result of planned expenditures and investments on exploration, project development, corporate costs and other operating activities. Zincore's cash position at June 30, 2008 was $3,621,773, an amount sufficient to fund its planned 2008 exploration and development programs. The Company has an ability to alter or change its programs without impacting its ownership interests in its exploration property portfolio. Due to current market conditions for financing, Zincore has revised its budgets through the end of the year to reduce its planned cash expenditures to ensure sufficient liquidity into 2009.

Zincore does not hold any asset-backed commercial paper and has no long-term liabilities. Current liabilities at the end of the second quarter totaled $550,409. Accounts payable and accrued charges related principally to expenditures incurred on the engineering and exploration work related to the Accha-Yanque property.

The Company's material contractual obligation is an office lease agreement for its corporate office in Vancouver, which expires on March 31, 2011. The agreement covers rent and operating expenses currently estimated at $9,905 per month.

Contractual obligations	Total	< 1 year	1-3 years	3-5 years
Operating lease obligations	$326,865	$118,860	$208,005	$nil

Zincore has no commitments for capital expenditures, and required exploration and development expenses are limited to annual property maintenance payments totaling approximately U.S.$175,000 in Peru, due in June 2009, and U.S.$35,000 in Chile. Minimum annual corporate costs total approximately $1 million.

Zincore's budgets for the remainder of 2008 total approximately $1.07 million of exploration expenditures and $300,000 of technical and engineering expenditures on the Accha-Yanque property. In addition, subject to overall priorities and funding capacity the Company will spend up to $165,000 on exploration at other properties. Corporate costs for the remainder of 2008 are anticipated to total approximately $1.1 million of which $450,000 relates to general exploration activities. Zincore has flexibility to revise and reduce spending levels in 2008 should liquidity levels dictate such reductions. Zincore will evaluate partnering opportunities, equity financing and other sources of financing throughout the year to raise funding for programs in and beyond 2008 and to provide funds to accelerate the exploration and development programs. No assurance can be given as to the ability of the Company to raise such required capital. The success of exploration programs and other property transactions can have a significant impact on spending requirements. Zincore has no pre-arranged sources of debt financing.

On September 26, 2007 the Ministry of Energy and Mines in Peru approved the application by Exploraciones Collasuyo SAC ("Collasuyo"), Zincore's wholly indirectly owned subsidiary, for early recovery of the Impuesto General A Las Ventas ("IGV") or general sales tax on qualifying expenditures. The current rate of IGV is 19% on all goods and services purchased. Under this approved application Collasuyo can, as of the above date, apply to the Peruvian tax authorities for the monthly rebates of IGV paid on qualifying expenditures. Qualifying expenditures include all site exploration and drilling costs and certain site related engineering and development costs. Under the program, the Company can receive reimbursement of amounts paid or offset taxes payable to the Peruvian Government on the corresponding amount of IGV paid on services and goods purchased during the course of the exploration and development program. At the end of the second quarter of 2008, the Company had recorded a receivable of $324,000 (December 31, 2007 - $115,000) related to this program.

Zincore is exposed to foreign exchange risks as it holds the majority of its cash balances in Canadian dollars and incurs expenses principally in Canadian dollars, U.S. dollars, and Peruvian soles. A strengthening of the Canadian dollar relative to these currencies would result in lower reported exploration and development expenses.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

Zincore has entered into a Services Agreement with Southwestern Resources Corp. ("Southwestern") whereby Southwestern agreed to provide the Company with accounting, corporate secretarial and other services in Canada. Collasuyo entered into an Outsourcing Operating Assistance Services Agreement with Southwestern's indirect wholly owned subsidiary Minera del Suroeste SAC ("MISOSA"), whereby MISOSA agreed to provide Collasuyo with office space, use of MISOSA's facilities and secretarial and accounting services in Peru. During the second quarter of 2008, the Company paid a total of $51,674 to Southwestern and MISOSA under these services agreements. In the comparative quarter of 2007 Zincore paid $67,862 under these service agreements.

During the second quarter of 2008, Zincore paid $86,250 for management services under an agreement with a company controlled by a director who is also an officer of the Company. During the quarter ending June 30, 2007 Zincore paid $36,250 under this agreement.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Zincore's financial instruments consist of cash and cash equivalents, advances and other receivables, due from affiliated companies, accounts payable, accrued charges and payables, and due to affiliated companies. 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. For further discussion see note 9 of the unaudited interim financial statements for the three and six months ended June 30, 2008. 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

Zincore's Consolidated Financial Statements have been prepared on a going-concern basis. The Company has incurred losses since inception, and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and longer term to develop profitable operations. To date, Zincore has financed its capital requirements by issuing common stock. There is no certainty that the Company will be able to raise funds sufficient to support its business plans.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective as at January 1, 2008, Zincore adopted three new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants: Handbook Section 1535, Capital Disclosures ("Section 1535"), Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") and Handbook Section 3863, Financial Instruments – Presentation ("Section 3863").

Section 1535 requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital. Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements and carrying forward unchanged its presentation requirements for financial instruments. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 79.1 million common shares issued and outstanding. Of these, 38.1 million or 48.2% are owned by Southwestern.

As at the date of this MD&A, Zincore has 5,274,000 options outstanding with an average exercise price of $0.54 per option, of which 3,555,000 have vested and are available for exercise at an average price of $0.57 per option.

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

OUTLOOK

Due to current market conditions for financing, Zincore has reduced its planned exploration expenditures through the end of 2008. Zincore will have completed its current drill program at the Yanque deposit by early August and then expects to focus on regional exploration on the Accha-Yanque zinc belt. The main exploration activities will include continued surface exploration of the identified targets, further prospecting and, importantly, obtaining drill permits for initial drill testing on the best identified targets including Yanque East, Titiminas West, Corrales and Alcatraz.

Zincore is continuing the metallurgical test work program on Yanque ore to establish a viable pre-concentration process to remove the acid consuming gangue minerals and upgrade the zinc content of the concentrate. As discussed under Property Review, the Company's metallurgical consultants, GTI, have recently selected a set of samples from across the expanded deposit on which to perform test work. A review of the mineralogy across the deposit is in progress to better understand the zinc minerals present and quantities of zinc clays to aid with the design of the test work program.

As exploration and metallurgical results at Yanque and the belt become apparent, Zincore will examine the merits of advancing the Accha Concentrator Project and/or completing a scoping study on a dedicated refinery for the Accha-Yanque belt.

During the second half of 2008, Zincore expects to spend approximately $1.5 million on exploration and development activities on its properties of which approximately $1.4 million will be on the Accha-Yanque zinc belt.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for the publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

DISCLOSURE CONTROLS 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. Zincore has a Disclosure and Stock Trading 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, 2007 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, 2007.

There have been no changes in internal control over financial reporting during the period ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, Zincore's internal control over financial reporting.