ZINCORE METALS INC.

Third Quarter Report

For the quarter ended September 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter ended September 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 nine months ended September 30, 2008 should be read in conjunction with the Company's unaudited interim financial statements for the three and nine months ended September 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 November 3, 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 "Risks and Uncertainties" in this document 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 in Peru, Chile and Mexico. 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 has been focused on exploration, definition drilling and technical studies at its Accha-Yanque property in Peru. The Company also conducted initial exploration at its other properties to further assess potential and develop more detailed exploration programs. Due to current market conditions and liquidity contraints, Zincore has reduced its corporate and exploration teams and activities. Current work is limited to surface exploration along the Accha-Yanque belt in Peru, early stage work in Chile and Mexico and on securing a community agreement which would enable work to commence on the Minasccasa project in Peru.

OVERALL PERFORMANCE

The zinc market and zinc-related equities performed poorly in the third quarter and subsequent to the end of the third quarter. Zinc prices fell from $0.86 per pound at the beginning of the quarter to $0.75 per pound at the end of the quarter to current price levels of $0.50 per pound. Falling metal prices combined with the financial and liquidity crisis that affected the global equity markets had a dramatic impact on valuations related to exploration and development stage mineral companies. Zincore's equity price and enterprise valuation were impacted substantially during and after the third quarter due to the above issues and concerns relating to non-cash flow generating companies, such as Zincore, to raise capital to finance their operations.

In light of market conditions Zincore has reduced its exploration activities and budgets to preserve its existing cash resources. Please see the Outlook section for further discussion on planned activities and budgets.

During the third quarter, Zincore completed the initial phase of its drilling program at Yanque. The program substantially increased mineral resources at Yanque as reported in March 2008 after the first 20 holes were completed. In total 45 holes were drilled, but a further resource estimate to incorporate the final 25 holes has not been completed.

Additionally, early stage work on the Company's properties in Chile identified a gold target on its Piren property as reported on August 20, 2008. Surface trenching outlined a gold shear zone over a strike length of 500 metres.

On September 10, 2008, Zincore's significant shareholder Southwestern Resources Corp. ("Southwestern") announced the settlement of class actions brought against Southwestern in 2007. The settlement places no conditions on Southwestern's 48% shareholding in Zincore.

At September 30, 2008, the Company had $1.9 million in cash and cash equivalents on hand, with no long-term debt and minor fixed exploration and property maintenance commitments. Exploration expenditures for the remainder of the year are expected to be significantly lower than in the previous nine months due to timing of drilling costs, lower technical study costs and cost cutting initiatives.

RESULTS OF OPERATIONS

	Quarter ended September 30, 2008	Quarter ended September 30, 2007
General exploration expense	$ 235,133	$ 244,376
Consulting and management fees	$ 128,165	$ 263,658
Other general and administrative expenses	$ 230,185	$ 196,764
Foreign exchange (gain) loss	$ (52,005)	$ 131,018
Amortization	$ 2,800	$ 2,706
Interest and other income	$ 15,867	$ 117,964
Mineral property costs written off	$ -	$ 2,611
Mineral properties and property, plant & equipment	$ 16,235,151	$ 10,341,506

Spending discipline and cost reductions lead to generally lower levels of spending and investment in the third quarter relative to the first half of 2008.

General exploration expense of $223,178, net of stock-based compensation expense allocation, was the lowest quarterly expense over the past year. The increase in general exploration expense from $175,746 in the third quarter of 2007 was due to higher levels of spending on property evaluation activities in Peru, Chile and Mexico.

Consulting and management fees expense decreased from $123,934 to $112,984, net of stock-based compensation expense allocation, in the third quarter of 2008 compared to the third quarter of 2007, mainly due to lower management costs and the use of less consultants. Consulting and management fees net of stock based compensation expense were the lowest quarterly expense since the beginning of 2007.

General and administrative expenses increased from $140,803 during the third quarter of 2007 to $210,594 during the third quarter of 2008, net of stock-based compensation expense allocation with such costs being significantly lower than in the first and second quarters of 2008. The increase compared to the previous year was mainly due to costs associated with meeting the internal controls testing requirements and higher office costs somewhat offset by lower travel expenses.

Stock-based compensation expense decreased from $264,315 in the third quarter of 2007 to $46,727 in the third quarter of 2008 due to the timing of vesting schedules related to stock option grants 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 and third quarters of 2008. Stock-based compensation expense in the third quarter of 2008 was allocated $15,181 to consulting and management fees, $11,955 to general exploration and $19,591 to office.

For the quarter ending September 30, 2008 the Company incurred a foreign exchange gain of $52,005 compared to a foreign exchange loss of $131,018 in the comparative period. Foreign exchange gains and losses result primarily from the translation of US dollar denominated monetary assets to Canadian dollars. The gain in the third quarter of 2008 was the result of the weakening of the Canadian dollar relative to the US dollar.

Interest and other income decreased from $117,964 to $15,867 in the quarter ending September 30, 2007 compared to the same period in 2008 due to a combination of lower cash and cash equivalent balances and lower interest rates.

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 and initial exploration on certain targets have 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

Limited exploration activity was completed at Accha during the third quarter of 2008, but the camp acted as the base for regional exploration on the belt and for support of the Yanque drilling program.

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 US$0.28 per pound and pre-production capital costs at approximately US$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 US$72 million and internal rate of return of 40% at a three-year trailing zinc price of US$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.

[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

In total during the third quarter of 2008, capitalized expenditures on the Accha deposit totalled approximately $276,000 on exploration related activities and approximately $25,000 on technical and engineering related activities.

Yanque

During the third quarter of 2008, Zincore successfully completed the first phase drilling program at Yanque, drilling 45 holes totalling 6,527 metres. The 24 holes drilled in 2008 complement the 21 holes drilled during 2007. The first 21 holes provided the basis for an updated mineral resource estimate released in March 2008 as further detailed below. A further mineral resource estimate incorporating all of the drilling has not yet been completed.

On July 31, 2008, the Company released the results of nine holes including highlights of 28 metres of 7.1% lead and 4.3% zinc in hole YA-33 and 13 metres of 6.1% lead and 1.3% zinc and nine metres of 7.0% lead and 1.8% zinc in hole YA-31.[3] On October 1, 2008 the Company released results from the final eight holes including highlights of 25 metres of 2.5% zinc and 1.3% lead with three higher grade intervals within this broader zone.[4]

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 estimate[5]. 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.

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

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

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

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.

Preliminary metallurgical studies on core from two drill holes taken from the 2007 drill program at Yanque were completed at Mintek Laboratories in Johannesburg under the supervision of Green Team International ("GTI"). Subsequently, 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. Limited metallurgical work was completed on the second set of metallurgical samples. The result of this preliminary work indicates excellent recovery (75-80%) of the lead minerals, which are mainly cerrusite, through dense media separation ("DMS") and flotation in a manner similar to the process designed at Accha. Further, this work indicated a lead concentrate grading over 50% lead could be produced. Recovery of the zinc minerals through DMS and flotation is variable but, on average, low due to the presence of a high amount of zinc clays and lower grade zinc minerals that do not respond favourably to DMS. The recovery of zinc into the lead concentrate does provide a significant credit to the lead concentrate. Further work, with a focus on improving zinc recoveries, is required to evaluate alternate process opportunities and determine suitable input parameters for a pre-feasibility study.

In total during the third quarter of 2008, Zincore capitalized expenditures on the Yanque deposit totalling approximately $602,000 on exploration related activities and approximately $100,000 on technical and engineering related activities.

Zincore also expended approximately $62,000 on exploration on other targets along the Accha-Yanque belt.

Other Exploration Properties

At the 100%-owned Minasccasa property, Zincore held a further meeting with community leaders in late September. The leaders undertook to organize further meetings between the Company and their respective communities. Progress on reaching a community agreement remains slow, but Zincore will continue its plan of engagement and education and remains confident that an agreement on the project will be reached.

In Chile, Zincore completed the staking of three blocks of ground. Initial work on the Piren property identified a promising gold target as reported in the Company's news release dated August 20, 2008. Further prospecting on the Piren block will be completed in November and work will be suspended in Chile pending further financing.

In Mexico, after significant evaluation of prospective trends and mineral deposit controls, Zincore established three properties. The Company is evaluating timing on commencing prospecting work.

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.

Selected Quarterly Financial Data (unaudited)

Fiscal quarter ended	Sep 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Jun 30 2007	Mar 31 2007	Dec 31 2006
Interest income	$ 15,867	$33,754	$71,389	$97,973	$117,964	$130,043	$151,170	$108,721
Net loss	$(528,411)	$(985,241)	$(842,035)	$(703,186)	$(723,169)	$(851,226)	$(874,420)	$(969,754)
Net loss per share	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.03)
Total assets	$ 18,705,672	$19,414,235	$20,399,498	$20,863,704	$20,500,445	$20,902,432	$21,543,888	$21,927,177
Total liabilities	$323,530	$550,409	$598,198	$390,135	$395,287	$391,720	$661,609	$506,380

Zincore became a public company with the closing of its IPO on November 8, 2006. Since that time overall spending levels have varied commensurate with the changes 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 prior to the reductions during the quarter ending September 30, 2008. These reductions combined with a foreign exchange gain largely account for the lower net loss during the third quarter of 2008 compared to the previous quarters.

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 during the second quarter of 2008, stock-based 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 US 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 third quarter of 2008 decreased to $18.7 million principally reflecting 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 or asset divestitures.

Zincore had working capital of $1,685,768 at September 30, 2008 compared to $8,162,509 at December 31, 2007. Working capital consists of current assets less current liabilities. The Company also has approximately $412,000 in taxes receivable from the Peru government as detailed later in this section. The receivable has been classified as long term, but the Company has fulfilled all requirements to begin to receive portions of this amount. The decrease compared to year end 2007 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 September 30, 2008 was $1,923,254. Due to current market conditions for financing and the collapse of valuations within the junior mineral sector, Zincore has revised its budgets through the end of the year to reduce its planned cash expenditures to preserve its cash resources. Further financing will be required in 2009. Current market conditions and the valuation of Zincore and other junior mineral development companies, make the present environment for raising additional financing unfavourable.

Zincore has evaluated its liquidity under a scenario whereby all significant exploration, development and corporate activities cease and the Company is put into a "care and maintenance" mode in early 2009 to provide time for the junior mineral resource equity markets to improve. Under such a scenario, current liquidity would be sufficient to fund operations into the fourth quarter of 2009.

Zincore does not hold any asset-backed commercial paper and has no long-term liabilities. Zincore repatriated the majority of its cash and short term money market funds it had been holding in its Bermuda based subsidiaries back to its Canadian bank accounts. Current liabilities at the end of the third quarter totaled $323,530. Accounts payable and accrued liabilities related principally to expenditures incurred on the engineering and exploration work related to the Accha-Yanque property. Zincore has no pre-arranged sources of debt financing.

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	$297,150	$118,860	$178,290	$nil

Zincore has no commitments for capital expenditures. Annual property maintenance payments total approximately US$175,000 in Peru, due in June 2009, and US$35,000 in Chile. The Company is reviewing its concession holdings in light of its current financial position.

Zincore will evaluate partnering opportunities, equity financing and other sources of financing to raise funding for programs beyond 2008. 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.

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 third quarter of 2008, the Company had recorded a receivable of approximately $412,000 (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, US dollars, and Peruvian soles. A weakening of the Canadian dollar relative to these currencies would result in higher reported exploration and development expenses. During the period from the end of the quarter on September 30, 2008 to the date of this MD&A, the Canadian dollar weakened approximately 10% relative to the US dollar and currency markets remain volatile.

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 whereby Southwestern agreed to provide the Company with accounting, corporate secretarial and other services in Canada. Exploraciones Collasuyo SAC ("Collasuyo") Zincore's indirect wholly owned subsidiary 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 third quarter of 2008, the Company paid a total of $46,707 to Southwestern and MISOSA under these services agreements. In the comparative quarter of 2007 Zincore paid $52,091 under these service agreements.

During the third quarter of 2008, Zincore paid $28,750 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 September 30, 2007 Zincore paid $27,500 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, accounts payable, accrued liabilities 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 10 of the unaudited interim financial statements for the three and nine months ended September 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. There is no certainty that the Company will be able to raise funds sufficient to support its business plans and current market conditions and valuations are not favourable for raising significant equity capital.

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 5,482,000 options outstanding with an average exercise price of $0.50 per option, of which 4,721,000 have vested and are available for exercise at an average price of $0.53 per option.

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

RISKS AND UNCERTAINTIES

This section updates certain Risks and Uncertainties detailed in the Company's annual filings with Canadian Securities Administrators. Refer to the December 31, 2007 MD&A or the Company's AIF referenced in the General section for further discussion on Risks and Uncertainties.

Additional financing and uncertainty of such financing

The Company requires additional financing to conduct exploration programs on its properties and fund corporate costs. There is no assurance that the Company will be successful in obtaining the required financing either through issuance of common share, divestment of properties or partnerships. A lack of financing would cause the Company to postpone its exploration plans, reduce its technical staff, may necessitate reducing mineral concessions and may cause going concern issues for the Company.

Dilution

Issuances of additional securities at or near the current share price of the Company would result in significant dilution of the equity interests of any persons who are holders of common shares.

Market condition and liquidity crisis

The global liquidity crisis has resulted in extreme volatility in the equity and metal markets and has generally negatively impacted common share prices including that of Zincore's. Current market conditions and the valuation of Zincore and other junior mineral development companies, make the present environment for raising additional financing unfavourable. Should these conditions persist, the Company would be negatively affected.

Southwestern Resources Corp. as a major shareholder

Southwestern owns 48.2% of Zincore's common shares. Any action by Southwestern to acquire, divest, or alter its stake in common shares of Zincore may affect the share price of Zincore and/or its ability to raise financing.

Share price subject to volatility

The market price of the securities of a publicly traded issuer, in particular a junior resource issuer, is affected by many variables not directly related to exploration success, including the market for junior resource securities, economic performance, market liquidity, commodity prices, availability of alternative investments and the breadth of the public market for the securities. The effect of these and other factors on the market price of Zincore's common shares suggest that Zincore's share price will be subject to volatility.

OUTLOOK

Due to current market conditions for financing, Zincore has reduced its planned exploration expenditures and has instituted cost cutting measures in Peru and Canada.

At the end of October, with the pending onset of the rainy season in Peru, the exploration program on the Accha-Yanque belt was put on hold to conserve cash. The Yanque exploration camp was dismantled and all future exploration work will be handled through the main camp at Accha. The Company expects to carry out limited field work in the Accha-Yanque belt during the coming quarter.

The access agreement on the Minasccasa project will remain a priority during the fourth quarter. Once an agreement is reached, field teams will be mobilized to site and a first phase exploration program will be initiated.

Work in Chile will be restricted to completing the evaluation of the gold target on the Piren property. Upon completion of this evaluation, which is expected at the end of November, activities in Chile will wind down and the properties will be maintained.

In Mexico, the staking of properties has been completed. Prospecting work on these properties has been put on hold pending further financing.

During the final quarter of 2008, Zincore expects to invest approximately $200,000 in its properties and have cash expenditures on corporate costs and payables of $500,000.

Zincore is evaluating partnering opportunities, divestitures and other sources of financing to raise funding for programs beyond 2008. No assurance can be given as to the ability of the Company to raise such required capital.

Zincore has evaluated its cash resources under a scenario whereby all significant exploration, development and corporate activities cease and the Company is put into a "care and maintenance" mode in early 2009 to provide time for the junior mineral resource equity markets to improve. Under such a scenario, current liquidity would be sufficient to fund operations into the fourth quarter of 2009.

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 September 30, 2008 that have materially affected, or are reasonably likely to materially affect, Zincore's internal control over financial reporting.