ZINCORE METALS INC.

A Zinc Exploration Company

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For the Three Months Ended March 31, 2010 and 2009

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Three Months Ended March 31, 2010 and 2009
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 month periods ended March 31, 2010 and 2009 should be read in conjunction with the Company's unaudited interim financial statements for the three month periods ended March 31, 2010 and 2009 and the audited financial statements for the years ended December 31, 2009 and 2008 all 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 12, 2010, is also available on SEDAR at www.sedar.com.

This MD&A has taken into account information available up to and including May 3, 2010.

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 source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and 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.

OUTLOOK

With the completion of equity financings in September 2009 and March 2010 as well as the positive metallurgical test results received in April 2010, the Company is in a strong position to continue to advance its existing projects, as well as to pursue other opportunities. The priority exploration projects in Peru are the Accha Zinc Oxide District, the Dolores copper porphyry target, and the Sajapampa property. In Canada, work programs are planned for the Cariboo project in British Columbia as well as the Gatineau project in Quebec.

At the Accha Zinc Oxide District, the Company carried out testing of alternative metallurgical processes, and re-modelled and optimized the resources. Laboratory testing of a reductive roasting technology returned positive results of 76% and 97% zinc extraction from Yanque and Accha ores respectively. The Company has decided to go ahead with pilot plant testing of larger samples from both deposits. A ten tonne representative sample from the Accha deposit is currently being tested, under the supervision of Metallicon Process Consuting ("Metallicon") and Hatch, at the Cementos Pacasmayo SA plant located in Trujillo, Peru. The Company plans to collect a similar sized sample from the Yanque deposit in the second quarter to send for pilot plant testing after the Accha test work is completed.

The review of the Accha geological model was successful in the identification of high grade sections from the deposit that could potentially be mined during the initial years of production. Based on a study of 300 metres (Sections 186500E to 185800E) of the total 700 metres that comprises the entire known deposit, a new wireframe model was developed. This wireframe model confirms that the higher grade zinc and lead mineralization occurs in a continuous ore body, enhancing the understanding of the deposit.

As a result of the review, the Company now plans to conduct a 5,760 metre in-fill diamond drilling program on Sections 186500E to 186800E to allow the classification of a significant portion of the deposit as Indicated. The Company also plans to carry out a similar modelling and drilling program on the other 400 metres of the deposit in Sections 186100E to 186400E.

Upon completion of this drill program, a new model of the entire Accha deposit will be constructed and a Mineral Resources Estimate and accompanying NI 43-101 Technical Report will be generated.

At Accha, a formal agreement was signed with the main community holding the surface rights to the deposit area, giving the Company access to the lands for a five year period. Discussions are currently under way with the community which is the closest neighbor to the deposit with the objective of securing a similar agreement.

At Yanque, negotiations with the community regarding an access agreement are advanced. The Company hopes to finalize community access agreements by the end of the second quarter of 2010. Similar geological modeling to the one described in the Accha section above, will be completed for the Yanque Project as well.

At Minasccasa, the Company is currently involved in direct negotiations with one of the key communities of the project area.

Geophysical surveys at the Sajapampa project recently optioned from Pembrook Mining Corp. ("Pembrook") have been completed. Once the results have been reviewed a drill program will be designed in order to test the better targets. Drilling should be carried out later this year prior to the beginning of the rainy season.

In Canada, at the Cariboo project, which was also optioned from Pembrook Mining Corp. ("Pembrook"), the Company has reviewed and approved the 2010 work program and it is expected that field work will begin after the snow melt.

The Company continues to investigate other zinc-lead opportunities in Canada, as well as Mexico, in order to geographically diversify its project portfolio.

DESCRIPTION OF BUSINESS

Zincore Metals Inc. ("Zincore" or the "Company") is an exploration stage mining company engaged in the identification, acquisition, evaluation, exploration and development of zinc and base metal properties in Peru, Canada, and Mexico. Its primary objective is to define economically feasible projects through focused exploration and to develop, joint venture, or sell properties of economic merit. Zincore's properties are currently in the exploration stage and are thus non-producing and consequently do not generate revenue or cash flow from operations. The Company is dependant on additional equity or debt capital or proceeds from divestitures to finance its activities.

Zincore's main activities are related to exploration, definition drilling and technical studies at its Accha Zinc Oxide District in Peru, and initial exploration at its other properties to further assess potential and develop more detailed exploration programs. The Company is also actively searching for projects in other countries such as Canada and Mexico.

In January 2010, the Company announced the appointment of Mr. Adam Ho as its Manager, Investor Relations.

On March 4, 2010, Hochschild Mining plc ("Hochschild") sold its stake in Zincore to Inversiones Pacasmayo SA ("Inversiones Pacasmayo"). As a result of this transaction Inversiones Pacasmayo now holds 35.8% of the outstanding common shares of Zincore. Inversiones Pacasmayo's subsidiary uses a Waelz rotary kiln at its facility in northern Peru to process zinc and lead oxide ore from the Bongara deposit. Zincore is testing this same pyrometallurgical process with ores from the Accha Zinc Oxide District discussed in the "Project Review" section below.

In March 2010 the Company raised gross proceeds totalling $600,001 by issuing 2,000,004 flow through common shares. Proceeds from the offering will be used by Zincore for ongoing exploration and development programs at its Cariboo zinc property near Quesnel, B.C., subject to flow through funding expenditure requirements.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

The price of zinc has been relatively stable during the first quarter of 2010, consistently between $0.95/lb and $1.05/lb. Zinc related equities started the year as relatively volatile but stabilized during the latter part of the first quarter of 2010. Zincore's stock price was volatile during the first three months of 2010 as the market reacted to the uncertainty about the news of Hochschild's intention to divest itself of its interest in Zincore. These shares were subsequently purchased by Inversiones Pacasmayo, a company which Hochschild's Executive Chairman, Eduardo Hochschild, indirectly controls. Overall the share price of Zincore closed at $0.34 per share on April 30, 2010 compared to a closing price of $0.31 at December 31, 2009.

Metal price performance remains linked to expectations regarding near term global economic conditions. These expectations are driving the demand outlook for base metals including zinc. Asset and corporate valuations of exploration and development stage mineral companies slightly improved during the quarter even though there was continued uncertainty regarding the global economic climate.

In January 2010, the Company announced that it had entered into an option agreement with Pembrook to earn a 100% interest in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively. In April 2010 the Company optioned a zinc-lead property located in the province of Quebec from Midland Exploration Inc. See further details in the Financial Condition, Liquidity, and Capital Resources section below.

As mentioned in the "Description of Business" section above, during the quarter the Company raised $600,001 to finance its planned expenditure commitment on the new Cariboo project. Significant progress was made on its optimization program on the Accha Zinc Oxide District. This optimization program includes re-modelling previously completed results in the Accha Zinc Oxide District to optimize the geological resource model and mine plan, and testing alternative metallurgical processes.

Community relations work progressed well during the first quarter and consequently the Company hopes to resume exploration work on the Yanque section of the Accha Zinc Oxide District during the latter half of the second quarter. As at March 31, 2010, the Company had working capital totaling $4,314,290.

RESULTS OF OPERATIONS

		THREE MONTHS ENDED MARCH 31, 2010		THREE MONTHS ENDED MARCH 31, 2009
Salaries and benefits	$	310,318		39,827
Other general and administrative expenses	$	193,599	$	82,950
General exploration	$	163,494		124,198
Consulting and management fees	$	128,115		131,432
Foreign exchange loss (gain)	$	12,220	$	(12,129)
Depreciation	$	1,327	$	1,661
Loss on sale of property, plant and equipment	$	-	$	49,102
Mineral properties	$	16,679,738	$	15,683,069

Total expenses were higher during the first quarter of 2010 relative to the same period in 2009 primarily due to the increase in corporate activity. In addition to its Board of Directors, the Company now has three full time employees on payroll, an Investor Relations Manager as of January 2010, and a full time dedicated CEO. There were also higher travel costs during the first quarter of 2010 due to the Company's participation at the PDAC and its continued efforts to re-introduce itself to the investment community after scaling back its activities in 2008 and the beginning of 2009.

Salaries and benefits were significantly higher during the three month period ending in 2010 compared to the same period in 2009 due to three new full time employees including the CFO and General Counsel. Also included in salaries and benefits in 2010 is stock-based compensation totalling $102,677 relating to stock options granted in 2009.

Other general and administrative expenses were higher during the first quarter of 2010 compared to the same period in 2009 reflecting the higher level of corporate activity. The most significant increases were in travel and shareholder information costs as the Company re-introduced itself to the investment community

General exploration expense was higher during the first three months of 2010 when compared to the same period in 2009, reflecting higher administrative spending in Peru due to staff increases, higher non-property related exploration costs in Peru, Canada and Mexico, and higher stock-based compensation.

As a result of stock options vesting and the amortization of previous grants, during the three months ended March 31, 2010 the Company recognized $135,582(March 31, 2009 – $11,116) as stock-based compensation expense and recorded this amount in contributed surplus. These amounts were recorded as follows:

	THREE MONTHS ENDED MARCH 31, 2010		THREE MONTHS ENDED MARCH 31, 2009	
Consulting and management fees	$	18,902	$	9,772
General exploration		14,003		99
Salaries and benefits		102,677		1,245
Total	$	135,582	$	11,116

The value of the stock options granted during the three months ended March 31, 2010 and 2009 was determined using the Black-Scholes option pricing model. During the first quarter of 2010, the weighted average grant-date fair value of $0.15 for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 168%; risk free interest rate of 2.5%; and expected life of 3.5 years. There were no new grants issued during the first quarter of 2009.

During the three month period ending March 31, 2010 the Company incurred a foreign exchange loss of $12,220 compared to a $12,129 gain during the same period in 2009. Foreign exchange gains and losses result primarily from the translation of U.S. dollar denominated monetary assets and liabilities into Canadian dollars.

PROPERTY REVIEW

Accha Zinc Oxide District

The 100%-owned Accha Zinc Oxide District covers more than 45,000 hectares and hosts zinc and lead oxide mineral reserves at the Accha deposit and mineral resources at both the Accha and Yanque deposits: the Accha deposit is at the north end of the belt and the Yanque deposit is 30 kilometres to the south. Mineralization has been identified in eight other locations in the district and initial exploration on certain targets has been completed. Given the proximity of these projects and prospects, Zincore views the Accha Zinc Oxide District as having the potential to operate as a single operation. To that end, the Company has re-modelled previously completed results to optimize the geology and is testing an alternative metallurgical process that could operate at a central processing facility for the entire district.

Accha

In 2007 Zincore completed a 15,400-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 preliminary feasibility study ("PFS") in 2008 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. On May 1, 2008, Zincore released the results of the PFS[2] which 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 PFS mine plan would be 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 was reclassified as mineral reserves, totaling 4.2 million tonnes grading 7.9% zinc and 0.8% lead. A revised technical report on the deposit was filed on SEDAR in June 2008.

The PFS also identified a number of opportunities to improve the Project, principally related to resource estimate increases by infill drilling of the inferred mineral resources to convert them to indicated mineral resources and exploration drilling where the deposit remains open. The Company is also working on further optimizing this project by investigating other metallurgical procedures to increase recoveries and then having all the ore in this district treated in one central processing facility. Laboratory testing of a reductive roasting technology returned positive results of 76% and 97% zinc extraction from Yanque and Accha ores

[1] For full details see press release dated December 6, 2007 available on Zincore's website at www.zincoremetals.com or on SEDAR
[2] For full details see press release dated May 1, 2008 available on Zincore's website at www.zincoremetals.com or on SEDAR

respectively. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon Process Consulting. Following these positive initial results, the Company decided to go ahead with pilot testing of larger samples from both deposits. A ten tonne representative sample from the Accha deposit is currently being tested, under the supervision of Metallicon and Hatch, at the Cementos Pacasmayo SA plant located in Trujillo, Peru. The Company plans to collect a similar sized sample from the Yanque deposit to send for pilot testing after the Accha test work is completed.

The review of the Accha geological model was successful in the identification of high grade sections from the deposit that could potentially be mined during the initial years of production.

The re-modeling of resources was based on previous work done for Zincore, which identified a strong correlation between a Coral Reef facies, which is a very porous rock body within the Laminated Limestone Unit, and the highest grades of zinc mineralization. Zincore geologists recently furthered this work by revisiting the core logs and outcrops at Accha to identify the Reef material and generate cross-sections through the best, near surface mineralization to confirm the original interpretation. Four north/south cross-sections at 186600E, 186650E, 186700E and 186750 were generated and the correlation between Coral Reef and high grade zinc mineralization was clearly visible. This sectional interpretation was then used by Micon to build a three-dimensional wireframe model of a 300 metre long portion of the Accha deposit from sections 186500E to 186800E.

Micon's wireframe model confirms that the higher grade zinc and lead mineralization occurs in a continuous ore body, enhancing the understanding of the deposit.

As part of their report, Micon confirms the numbers published in the PAH Report. Micon has also proposed 5,760 metres of in-fill diamond drilling to allow the classification of a significant portion of the deposit as Indicated. Zincore plans to conduct this program as soon as possible.

Upon completion of the recommended drill program, a new model of the entire Accha deposit will be constructed and a Mineral Resources Estimate and accompanying NI 43-101 Technical Report will be generated.

At Accha, the exploration camp has been re-opened and a small team of professionals is currently operating from the site. Recent activities at the Accha camp have consisted re-logging several drill holes in order to better define the high grade portions of the deposit. Some surface work including mapping and trenching was also done to locate the contacts between the high grade and lower grade sections of the deposit. A formal agreement was signed with the main community holding the surface rights to the deposit area giving the Company access to the lands for a five year period. Discussions are currently under way with the community which is the closest neighbor to the deposit with the objective of securing a similar agreement. Discussions are progressing well and no major difficulties are expected in closing this agreement as well.

Yanque

During 2008 Zincore successfully completed the first phase drilling program at Yanque. The program consisted of drilling 45 holes totalling 6,527 metres over a two year period beginning in 2007. The first 21 holes drilled provided the basis for an updated mineral resource estimate. On March 3, 2008, Zincore released an updated mineral resource estimate prepared by Pincock Allen & Holt that estimates that Yanque contains 10.3 million tonnes of near surface zinc and lead oxide inferred mineral resources grading 5.3% zinc and 5.3% lead[3]. The new estimate represented a 55% increase in tonnes and an 88% increase in contained metal over the previous inferred mineral resource estimate. 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.

Results of previous metallurgical work on Yanque samples indicated low recovery of zinc minerals into concentrate due to the presence of a high amount of zinc clays and lower grade zinc minerals that do not respond favourably to DMS. The Company is investigating other metallurgical procedures to increase recoveries and then having all the ore in this district treated in one central processing facility. With the positive results obtained from the laboratory testing of the reductive roasting method described above, the Company will now move on to pilot plant testing of the Yanque ores using the same facility as with the Accha ore. Specifically, once the testing of the Accha samples has been completed, the Company plans to also collect ten tonnes of new material from the surface at the Yanque deposit to use in this work.

Similar geological modeling to the one described in the Accha section above, will be completed for the Yanque Project before in-fill drilling to better define resource geometry.

At Yanque, several meetings were held with groups of residents from the four villages that make up the community in order to negotiate an access agreement. Although the process has taken more time than originally estimated, negotiations with the

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

community regarding the access agreement are continuing and many issues have been resolved. The Company hopes to finalize all community access agreements by the end of the second quarter.

Other Accha Zinc Oxide District Prospects

Located within the Accha Zinc Oxide District are as many as eight other zinc oxide prospects, including Corrales, Puyani, Yanque East, and Titiminas West, on which the Company plans to perform further work in 2010.

Other Exploration Properties

In 2008 the Company discovered a copper-gold porphyry target east of Yanque called Dolores. While a large target area was identified, sampling and assaying was constrained to a new road cut that exposed the underlying mineralization and returned encouraging high-grade values. Dolores remains a priority area for Zincore and community agreements covering the Yanque area must be renewed and expanded to enable more significant exploration work on the target to commence. Zincore's community relations team is pursuing such agreements and some progress has been made with local residents during the past months. The Company is very optimistic that the access agreement will be finalized by the time weather improves in the Cusco area in the coming months.

At the 100%-owned Minasccasa property, located in the Andahuaylas-Yauri metallogenic belt in southern Peru, 400 km southeast of Lima, Zincore has retained dedicated community relations personnel to focus on reaching an agreement with local communities regarding the project. Recent discussions with one of the principal communities involved in the project have indicated a willingness from community leaders to reach an agreement with the Company. Discussions on the terms of agreement with community leaders are on-going.

In January 2010 the Company announced that it had entered into an option agreement with Pembrook, a company related to Zincore by way of directors in common, to earn a 100-per-cent interest in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively. Under the terms of the agreement, Zincore can earn a 100-per-cent interest in the properties by incurring exploration expenditures of $875,815 within the first year and issuing five million Zincore shares to Pembrook over a three-year period. Pembrook will retain a 2-per-cent net smelter return on the properties and Zincore will be entitled to buy back one of those two percentage points for $1.5-million at any time, as well as have a pre-emptive right to purchase in the event Pembrook wishes to sell any portion of the royalty. A small portion of the Sajapampa property (800 of 6,000 hectares) is subject to an underlying agreement with Pembrook's wholly owned subsidiary, pursuant to which an additional $350,000 in payments must be made on or before April, 2013, and a 2-per-cent net smelter return is payable. One percentage point of this net smelter return royalty can be bought back for U.S. $1.0 million. The underlying agreement is being assigned to the Company. Geophysical surveys have recently been completed on the Sajapampa property and the Company plans to design a follow-up drill program once all the results have been reviewed. The 2010 work program for the Cariboo project has been reviewed and approved by the Company and the work will commence once field conditions permit.

In April 2010 the Company optioned a promising zinc land package from Midland Exploration Inc. The Gatineau project is located in the province of Quebec close to major infrastructure. Zincore has the option to earn up to a 65% interest in the property by incurring exploration expenditures of $3,500,000 ($500,000 firm) and making cash payments of $180,000 or issuing an equivalent value in common shares. In order to earn the full 65% interest, Zincore must complete a feasibility study no later than eight years after the effective date of the agreement.

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 unaudited interim consolidated financial statements for the three month periods ended March 31, 2010 and 2009 and the audited consolidated financial statements for the years ended December 31, 2009 and 2008.

Selected Quarterly Financial Data (unaudited)

FISCAL QUARTER ENDED	MAR 31 2010	DEC 31 2009	SEP 30 2009	JUN 30 2009	MAR 31 2009	DEC 31 2008	SEP 30 2008	JUN 30 2008
Interest and other income	$ 4,743	$ 4,041	$ 330	$ 2,802	$ 2,480	$ 8,192	$ 15,867	$ 33,754
Net loss	$ (804,330)	$ (762,017)	$ (916,951)	$ (407,210)	$ (414,561)	$ (1,359,005)	$ (528,411)	$ (985,241)
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)
Total assets	$ 21,275,152	$ 21,088,056	$ 21,541,181	$ 16,711,613	$ 16,765,269	$ 17,217,550	$ 18,705,672	$ 19,414,235
Total liabilities	$ 194,234	$ 239,391	$ 197,252	$ 466,302	$ 132,946	$ 181,782	$ 323,530	$ 550,409

In general, overall spending levels have varied commensurate with the changes in the Company's exploration, development and corporate activities. The lower net loss in the first and second quarters of 2009 reflects the planned reduction in activities to preserve liquidity. The increase in net loss during the third and fourth quarters of 2009, and first quarter of 2010 was a result of resuming activities following the Company's increased liquidity. As well in the fourth quarter of 2008, there were significant mineral property costs written off.

Quarterly expense levels of manageable expenses were generally comparable quarter on quarter prior to the third quarter of 2008 as Zincore had made no significant changes in its management team, staffing levels or scope of activities during that time. During the quarters ending September 30, 2008, December 31, 2008, March 31, 2009, and June 30, 2009 Zincore reduced expenditures due to market conditions restricting the financing of exploration and development projects. As a result of the Company's increased liquidity during the third and fourth quarters of 2009, the Company's overall corporate and exploration expenses have slowly begun to rise again reflecting the increased activity during the first quarter of 2010 as well. Quarterly variances in net loss have generally been impacted by four key factors: mineral property write-offs, stock-based compensation expense, foreign exchange gains or losses, and general exploration expense.

During the second quarter of 2008 Zincore wrote-off mineral property costs of $292,234 relating to its Condorini property on termination of the joint venture agreement and in the fourth quarter of 2008 it expensed mineral property costs of $1,006,775 relating to its Minasccasa and other properties. During the fourth quarter of 2008 Zincore recorded a loss of $10,082, in the first quarter of 2009 a loss of $49,102 and in the second quarter a gain of $338 all related to disposals of surplus field equipment and other office assets resulting from planned reductions in activities. During the third quarter of 2009 the Company expensed mineral property costs of $194,852 relating to all of its mineral properties in Mexico and Chile. During the fourth quarter of 2009 and first quarter of 2010 the Company recorded $280,956 and $135,582, respectively, as stock-based compensation as a result of stock options granted.

Stock-based compensation expense is impacted by vesting schedules, forfeitures and the number of options granted by the Board of Directors. Foreign exchange losses vary based on the strengthening or weakening of the Canadian dollar relative to the U.S. dollar and Peruvian soles as well as U.S. dollar denominated cash balance, 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. In addition, principally during the fourth quarter of 2008, the Company recorded statutory severance costs relating to the reduction of its Peru based exploration employees.

Total assets in the third quarter of 2009 increased primarily as a result of an equity financing.

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.

On March 31, 2010, the Company raised, by way of a non-brokered private placement, gross proceeds totalling $600,001 by issuing 2,000,004 flow through common shares at $0.30 per share. A cash commission totalling 6% of gross proceeds was paid to an agent. As well, in March 2010 the Company issued one million common shares to Pembrook pursuant to the Cariboo and Sajapampa property agreement.

As at March 31, 2010, Zincore had working capital of $4,314,290 compared to $4,700,371 at December 31, 2009. Working capital consists of current assets less current liabilities. The working capital decrease was due optimization and community relations work being done on the Accha Zinc Oxide District as well as general corporate activities partially offset by an equity financing completed late in the first quarter of 2010. Expenditures on the Accha Zinc Oxide District during the first quarter of 2010 totalled $232,859, while expenditures on other properties totaled approximately $57,000. The expenditures on these other projects primarily related to community relations work on the Minasccasa project.

In January 2010, the Company announced that it had entered into an option agreement with Pembrook to earn a 100% interest in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively. Under the terms of the agreement, Zincore can earn a 100% interest in the properties by incurring exploration expenditures of $875,815 within the first year and issuing five million Zincore shares to Pembrook over a three-year period. Pembrook will retain a 2% NSR on the properties and Zincore will be entitled to buy back one of those two percentage points for CAD$1.5 million at any time, as well as have a pre-emptive right to purchase in the event Pembrook wishes to sell any portion of the royalty. A small portion of the Sajapampa property (800 of 6,000 hectares) is subject to an underlying agreement with Pembrook's wholly owned subsidiary, pursuant to which an additional $350,000 in payments must be made on or before April 2013, and a 2% NSR is payable. One percentage point of this net smelter return royalty can be bought back for U.S. $1.0 million. The underlying agreement is being assigned to the Company. In March 2010, the Company issued one million common shares valued at $340,000 pursuant to this agreement.

In April 2010 the Company optioned a zinc land package in Quebec from Midland Exploration Inc. Zincore has the option to earn up to a 65% interest in the property by incurring exploration expenditures of $3,500,000 ($500,000 firm) and making cash payments of $180,000 or issuing an equivalent value in common shares. In order to earn the full 65% interest, Zincore must complete a feasibility study no later than eight years after the effective date of the agreement.

Management estimates that Zincore's current cash resources provide sufficient funding to maintain its key properties and fund the Company's activities in the near term as further described in the Outlook section.

Zincore does not hold any asset-backed commercial paper, has long term monetary assets of $20,997 and long-term monetary obligations of $20,686. Current liabilities at the end of the first quarter of 2010 totaled $173,548. Accounts payable and accrued liabilities relate principally to trade payables.

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 $10,990 per month. In December 2008 Zincore signed a sublease agreement with a third party that fully funds its obligations regarding the corporate office lease until expiry of the lease agreement. The sublease agreement became effective January 15, 2009.

Contractual obligations	TOTAL	< 1 YEAR	1-3 YEARS
Operating lease obligations	$ 131.880	$ 131,880	$ -
Pembrook and Gatineau options	$ 4,905,815	$ 1,635,815	$ 3,680,000

The Company's long term obligation of $20,686 relates to the sublease of its office space in Vancouver to a non-related third party subtenant. Under the sublease agreement the subtenant paid to Zincore the equivalent of two months rent and operating expenses to be held interest free and applied against the subtenant's obligations under the agreement.

Annual property maintenance payments for its Accha Zinc Oxide District, Minasccasa and Sayani properties in Peru totaling approximately U.S. $163,000 were paid in June 2009 and will be due again in June 2010.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

Zincore had a Services Agreement with Southwestern Resources Corp. ("Southwestern"), now a wholly owned subsidiary of Hochschild, up until July 31, 2009, whereby Southwestern agreed to provide the Company with accounting, corporate secretarial and other services in Canada. 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. In August 2009 the agreement between Collasuyo and MISOSA was cancelled and the agreement in Canada was amended such that the Zincore staff would provide administrative services to Hochschild, who at that time was a 36.9% shareholder but is no longer, in return for Zincore using Southwestern's existing office space. In addition the Company paid remuneration for management services to companies controlled by directors in common. Details of these related party transactions are as follows:

	THREE MONTHS ENDED MARCH 31, 2010	THREE MONTHS ENDED MARCH 31, 2009
Administrative services agreements	$ -	$ 42,239
Remuneration paid to a company controlled by a director	$ 61,803	$ 8,850

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, due to affiliated companies, other assets and long term obligations. The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Prepaids, advances and other receivables and other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities, and long term obligations are classified as other financial liabilities, which are measured at amortized cost.

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

These unaudited interim consolidated financial statements have been prepared on a going concern basis which assumes Zincore will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue to operate for the foreseeable future is conditional upon its ability to secure additional equity capital, divest assets or generate cash flow from operations in the future, none of which are assured. The Company has incurred operating losses since inception and has no source of operating cash flow. Due to market fluctuations and the inherent risks in the exploration industry, there can be no assurance that management's future financing actions will be successful.

An inability to raise additional financing may impact the future assessment of Zincore as a going concern under CICA 1400 General Standards of Financial Statement Presentation. If the going concern assumption becomes inappropriate for these financial statements, then adjustments would be necessary in the carrying values of assets, liabilities, the reported income, and expenses and the balance sheet classifications used. Such adjustments could be material.

Based on the Company's plans and budgets, management estimates that the Company has sufficient funds to operate through the next 12 months.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates where management's judgment is applied include asset valuations, income taxes, stock-based compensation and contingent liabilities. Actual results may differ from those estimates.

Mineral properties and related exploration and development costs are recorded at cost on a property-by-property basis. Costs incurred for general exploration that are not project specific or do not result in the acquisition of mineral properties and preliminary exploration to assess mineral properties are expensed as incurred. Management periodically reviews the underlying value of mineral properties. If impairment is determined to exist, the mineral property will be written down to its net realizable value. The recoverability of the amounts capitalized for mineral properties is dependent upon the delineation of economically recoverable mineral reserves and the Company's ability to obtain the necessary financing to complete development and realize profitable production or proceeds from the disposition thereof. It is reasonably possible that changes could occur that would adversely affect management's estimates and, therefore, result in future write-downs of capitalized mineral property amounts. The amounts shown for mineral properties represent costs incurred to date less write-downs, if any, and are not intended to reflect present or future values.

Compensation expense for stock options granted is determined based on the estimated fair value of the stock options at the time of grant, the cost of which is recognized over the vesting periods of the respective stock options. The fair value of all stock-based awards is estimated using the Black-Scholes model.

The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and the expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate. The Company relies on market and historical information as the basis for these assumptions.

The Company's functional currency is the Canadian dollar. The Company's foreign subsidiaries are considered to be integrated operations. Accordingly, the Company utilizes the temporal method to translate the financial statements of these subsidiaries into Canadian dollars. All foreign currencies are translated into Canadian dollars using weighted average rates for the period for items included in the consolidated statements of loss, comprehensive loss and deficit, the rate in effect at the balance sheet date for monetary assets and liabilities, and historical rates for other assets included in the consolidated balance sheets. Translation gains or losses are included in the determination of income.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations ("Section 1582"), 1601 – Consolidated Financial Statements ("Section 1601") and 1602 – Non-controlling Interests ("Section 1602") which replaces CICA Handbook Sections 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted. Adoption of these sections as of January 1, 2010, did not have a material impact on the Company's consolidated financial statements.

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 publicly-listed companies to use IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 106,351,503 common shares issued and outstanding.

As at the date of this MD&A, Zincore has 5,008,000 stock options outstanding with a weighted average exercise price of $0.34 per option. Of this total, 3,749,664 stock options are exercisable with a weighted average exercise price of $0.36.

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Company has assessed its capabilities to manage the transition of its financial reporting to IFRS. The Company believes the skills and resources exist within the Company's accounting team to manage the transition to IFRS with limited external assistance.

The Company has an IFRS changeover plan covering financial statement preparation, education, IT infrastructure and the internal control environment. Initial activities have commenced in each of these areas.

The Company has assessed the impacts of the adoption of IFRS on its financial statements. Based on this assessment, including the accounting policy choices available under IFRS and considering the current operations of Zincore, the conversion is expected to have limited impact on the substance of the financial statements. Certain presentation differences will be noted. During 2009 certain IFRS policies were selected as well as which elections are to be made under IFRS 1. The Canadian dollar will be the presentation currency.

A review of the key IT support systems indicates the current systems are IFRS compliant.

As a result of the limited impact on the substance of the financial statements, the conversion of IFRS is expected to have limited impact on the control environment of the Company.

The Company currently has no material commercial agreements that will be impacted by the conversion to IFRS.

Beginning on January 1, 2010, the Company has been running a parallel IFRS accounting system.

DISCLOSURE CONTROLS AND PROCEDURES

As required by Multilateral Instrument 52-109, management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company, and internal control over financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. 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 and Stock Trading Policy and a Disclosure Committee in place to mitigate risks associated with the disclosure of inaccurate or incomplete information.

The Company's management, with the participation and under the supervision of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), have designed the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to them on a timely basis; and designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting.

The Company has maintained accounting personnel in Peru, and contracts with third parties in Mexico. Although the Company's finance staff is small in number management believes appropriate segregation of duties within the finance department have been maintained. However where segregation of duty deficiencies exist, the Company relies on certain compensating and detection controls, including dual signatories on all cash disbursements, review and approvals of all bank reconciliations by persons other than the preparer, and quarterly and annual review of financial statements, and other information by the Audit Committee.

An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of December 31, 2009. Based upon the results of that evaluation, the Company's CEO and CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective in providing reasonable assurance that the material information relating to the Company was made known to them on a timely basis and was processed and disclosed within the appropriate reports and time periods.

The Company's management believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to the inherent limitations in all controls systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. Due to liquidity concerns the Company ceased to have its interim financial statements reviewed by its auditors in 2009, however, due to the Company's increased liquidity and overall activities, the quarterly financial statements will be reviewed in 2010.

There has been no change in the Company's internal control over financial reporting during the three month period ended March 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.