ZINCORE METALS INC.

For the Three Months Ended March 31, 2011 and 2010

Management's Discussion and Analysis

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

For the Three Months Ended March 31, 2011 and 2010
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, 2011 and 2010 is prepared as of May 6, 2011 and should be read in conjunction with the Company's unaudited interim financial statements for the three month periods ended March 31, 2011 and 2010 which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the audited financial statements for the years ended December 31, 2010 and 2009 which were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All of these statements 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 18, 2011, is also available on SEDAR at www.sedar.com.

All financial information in this MD&A is 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

As a result of the global economic and geopolitical uncertainty, as well as the results of the first round of the Peruvian presidential election on April 10, 2011, share prices of companies with significant Peruvian assets such as Zincore have experienced tremendous pressure in recent weeks. The second round of the election is scheduled for June 5, 2011 and the Company anticipates continued volatility in its stock price at least until then. These developments may make it more expensive for the Company to raise additional capital or complete some of its programs on time.

The Company plans to complete a new technical report on the Yanque deposit during the third quarter of 2011. Definition drilling will continue at the Yanque section of the deposit. The Company has also engaged AMEC plc ("AMEC") to carry out a Pre-Feasibility Study ("PFS") on the Accha Zinc Oxide District. The main objective is to confirm the technical and economic viability of the project as a mining operation. It is expected that the PFS will be completed by the end of 2011 or early 2012. During the second quarter, the Company expects to receive a Preliminary Economic Assessment ("PEA") relating to the Accha Zinc Oxide District. This assessment will be prepared by AMEC as well and will be the first third party validation of the economics of this project as a mining operation. The Company will complete its first phase ten hole drill program on the Dolores property in the second quarter and then will analyze all the data before commencing the second phase drill program later in the year.

The Company is currently studying a report from Midland Exploration Inc. ("Midland"), who is managing the exploration program on the Gatineau project in order to decide how to proceed with the project.

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 in the exploration stage and are thus non-producing and consequently do not generate revenue or cash flow from operations. The Company is dependent 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.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

The price of zinc was stable during the first quarter of 2011, between $1.00/lb and $1.10/lb, while zinc related equities were relatively volatile. Zincore's stock price was volatile as well during the first three months of 2011 reaching as high as $0.90 per share in early March after positive drill results from Dolores and Yanque. However, as a result of political instability in the Middle East and the earthquake in Japan, stock prices in general have decreased and Zincore was no exception. Zincore's price has been further depressed as a result of the uncertainty caused by the results of the first round of the Peruvian presidential election in early April.

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.

On the Dolores property the Company commenced a first phase ten hole drill program in January 2011. The first three holes were completed and assay results from the first two holes were released on March 3, 2011. The results from the second hole indicated consistent, and evenly distributed copper and molybdenum mineralization throughout the length of the hole, including 0.27% copper equivalent over 297 metres.

On March 21, 2011, the Company announced the results of a new, independent mineral resource estimate for the Accha deposit of the Accha Zinc Oxide District. The new resource estimate resulted in Measured Resources now comprising almost 56% of the combined Measured and Indicated contained metal total. A full technical report was filed on SEDAR on May 6, 2011.

On March 23, 2011, the Company announced its first assay results from the first ten diamond drill holes of in-fill definition drilling at its Yanque project. Highlights from these ten holes include: 98.61 g/tonne silver and 13.64% zinc equivalents over 13.0 metres and 32.72 g/tonne silver and 9.14% zinc equivalents over 4.0 metres in hole YA-49; 25.46% zinc equivalents over 12.0 metres in hole YA-52; 11.94% zinc equivalents over 11.0 metres and 10.53% zinc equivalents over 7.0 metres in hole YA-54; 11.53% zinc equivalents over 6.0 metres in hole YA-48 and 7.39% zinc equivalents over 54.6 metres in hole YA-54.

As at March 31, 2011, the Company had working capital totaling $5,483,997.

RESULTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31, 2011		THREE MONTHS ENDED MARCH 31, 2010	
General exploration	$	768,514	$	163,342
Other general and administrative expenses	$	397,957	$	193,680
Salaries and benefits	$	332,825	$	310,318
Consulting and management fees	$	186,324	$	128,670
Income tax expense	$	131,000	$	-
Foreign exchange loss	$	20,100	$	7,623
Depreciation	$	1,943	$	1,327
Mineral properties	$	22,215,462	$	16,197,186

Total expenses were higher during the first quarter of 2011 relative to the same period in 2010 primarily due to the increase in corporate activity, income tax expense as a result of the renunciation of tax benefits relating to a flow-through financing completed in 2010, and the expensing of certain exploration expenditures on the Sajapampa project in Peru that were incurred before the decision to abandon the project was made.

Salaries and benefits were slightly higher during the three month period ending in 2011 compared to the same period in 2010 due to higher staffing levels and raises given to certain personnel in late 2010. Also included in salaries and benefits in 2011 is share-based compensation totalling $85,818 compared to $102,677 during the same period in 2010.

Other general and administrative expenses were higher during the first quarter of 2011 compared to the same period in 2010, reflecting rent for office space which the Company did not have to pay during the first quarter of 2010. The Company also paid recruiting services to a company which aided in the search for key personnel. Travel and shareholder information costs have also increased as the Company continues to explore financing options.

General exploration expense was higher during the first three months of 2011 when compared to the same period in 2010, reflecting higher administrative spending in Peru due to staff increases, salary raises, higher non-property related exploration costs in Peru as well as higher share-based compensation. As well, included in general exploration were costs totalling $247,000 related to the Sajapampa project that were incurred before the decision to write off the project for year end 2010 was made.

As a result of stock options vesting and the amortization of previous grants, during the three months ended March 31, 2011 the Company recognized $310,785 (March 31, 2010 – $135,582) as share-based compensation expense and recorded this amount in reserves. These amounts were recorded as follows:

	THREE MONTHS ENDED MARCH 31, 2011	THREE MONTHS ENDED MARCH 31, 2010
Consulting and management fees	$ 70,295	$ 18,902
General exploration	154,672	14,003
Salaries and benefits	85,818	102,677
Total	$ 310,785	$ 135,582

The value of the stock options granted during the three months ended March 31, 2011 and 2010 was determined using the Black-Scholes option pricing model. During the first quarter of 2011, the weighted average grant-date fair value of $0.39 (March 31, 2010 - $0.15) for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 95% (March 31, 2010 - 168%); risk free interest rate of 2.3% (March 31, 2010 - 2.5%); and expected life of 3.5 years (March 31, 2010 – 3.5 years). Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the stock options.

During the three month period ending March 31, 2011 the Company incurred a foreign exchange loss of $20,100 compared to $7,623 during the same period in 2010. 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 over 50,000 hectares and hosts zinc and lead oxide mineral resources at both the Accha and Yanque deposits. The Accha deposit is at the north end of the District and the Yanque deposit is 30 kilometres to the south. Mineralization has been identified in nine other locations in the District and initial exploration on certain targets has been completed. Given the proximity of these projects and prospects, Zincore management now views the Accha Zinc Oxide District as a single operation. To that end, the Company has re-modelled previously completed results to optimize the resources and is testing a metallurgical process that could be used at a central processing facility for the entire district. The Company has engaged AMEC to carry out a PFS on the Accha Zinc Oxide District. The main objective is to confirm the technical and economic viability of the project as a mining operation. It is expected that the PFS will be completed by the end of 2011 or early 2012. During the second quarter of 2011, the Company expects to receive a PEA relating to the Accha Zinc Oxide District. This assessment will be prepared by AMEC as well and will be the first third party validation of the economics of this project as a mining operation.

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 independent consultant Pincock, Allen & Holt ("PAH") prepared a NI 43-101 mineral resource estimate, which was 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 ("2008 PFS") in 2008 on the Accha deposit. Led by SNC Lavalin Chile, the 2008 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 2008 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 2008 PFS estimated site operating costs at U.S. $0.28 per pound and pre-production capital costs at approximately U.S. $65 million. The 2008 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 2008 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 2008 PFS also identified a number of opportunities to enhance 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. Since the end of 2009, the Company has been working on further optimizing this project by investigating other metallurgical procedures to increase recoveries and then having all the ore in the District treated in one central processing facility. Laboratory testing during 2010 of a reductive roasting technology (Waelz Kiln) returned positive results of 97% zinc extraction from Accha ores. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon. Following these positive initial results, the Company decided to pilot test larger samples. A ten tonne representative sample from the Accha deposit was tested, with positive results, under the supervision of Metallicon and Hatch, at the CPSA plant located in Pacasmayo, Peru. For a head grade of 10.3% zinc and 1.1% lead, recoveries were in excess of 92% zinc and 99% lead which produced a calcine concentrate with grades greater than 65% zinc and 7% lead.

Metallicon's summary report on the metallurgical test results is available on the Zincore website at www.zincoremetals.com. The test work to date on the Accha ore confirms that a Waelz kiln can process disparate ores from different deposits while delivering high percentage recoveries and grades. More work needs to be done to optimize the process but the findings so far are positive for the economics for the whole Accha Zinc Oxide District.

The re-modeling of resources at Accha was also completed in early 2010 and 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 hosts the highest grades of zinc mineralization. Zincore geologists 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 186750E were generated and the correlation between Coral Reef and high grade zinc mineralization was clearly visible. This sectional interpretation was then used by Micon International ("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 confirmed 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 confirmed the numbers published in the PAH report. Micon also proposed 5,760 metres of in-fill diamond drilling. Zincore implemented this program and drilling began at Accha in late June 2010. A definition drill program was completed in early November 2010. All historical drill holes were re-logged and a set of re-interpreted sections was sent to Micon 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. Several trenches on the interpreted northern limb extension of the deposit intersected outcrops of high grade reef mantos over several metres. The Company is confident that these outcrops represent a new zone lying above the main Accha deposit which opens up excellent exploration potential for increasing the overall size of the resources.

Following the completion of the recommended drill program, Micon constructed a new model of the entire Accha deposit and generated a new Mineral Resources Estimate. The results of the new resource estimate were published on March 21st, 2011 and the accompanying NI 43-101 Technical

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

Report was filed on May 6, 2011. The new Resource Estimate has resulted in Measured Resources now comprising almost 56% of the combined Measured and Indicated contained metal total.

At a 2% cutoff, the deposit contains 2,492 million tonnes at 8.71%Zn and 0.78%Pb (478 million lbs Zn and 43 million lbs Pb). Combined measured and indicated resources now total 5,563 million tons at 7.01%Zn and 0.82%Pb (860 million lbs Zn and 100 million lbs Pb). In addition, there are 1,276 million tons at 4.60% Zn and 0.65% Pb (129 million lbs Zn and 18 million lbs Pb) in the inferred category. It is important to note that the Micon resource calculations were done using a capping factor while the previous PAH resource calculations were reported uncapped. Micon figures are considered more conservative than the previously reported numbers.

During 2010 formal agreements were signed with the main community holding the surface rights to the deposit area and the closest neighbor, giving the Company access to the lands for a five year period.

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 favorably to dense media separation. The Company investigated alternative metallurgical procedures to increase recoveries and to treat all ores from the Accha Zinc Oxide District in one central processing facility. Laboratory testing of a reductive roasting technology, performed in 2010, returned positive results of 76% zinc extraction. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon. Following these positive initial results, the Company decided to go ahead with pilot testing of larger samples.

A ten tonne representative sample from the Yanque deposit was collected and sent to the CPSA plant for testing under the same control conditions as for the Accha sample discussed above. For a head grade of 10.7% zinc and 1.8% lead, recoveries were in excess of 93% zinc and 98% lead which produced a calcine concentrate with grades greater than 61% zinc and 11% lead. These results were released in September 2010 and a summary report is available on the Company website at www.zincoremetals.com.

Similar to Accha ore, metallurgical test work to date on the Yanque ore confirms that a Waelz kiln can process disparate ores from different deposits while delivering high percentage recoveries and grades. More work will be done to optimize the process.

At the end of October 2010, Micon had entered all pre-existing drill data into the new geological model and this information was used to develop the on-going phase of definition drilling. The first stage drill permit for the on-going definition drill program was approved late in 2010 and the application for the second stage permit is currently in the final approval process. The company expects that the new permit will be approved by the begining of May 2011.

On March 23, 2011, the Company announced its first assay results from the first ten diamond drill holes of in-fill definition drilling at its Yanque project. Highlights from these ten holes include: 98.61 g/tonne silver and 13.64% zinc equivalents over 13.0 metres and 32.72 g/tonne silver and 9.14% zinc equivalents over 4.0 metres in hole YA-49; 25.46% zinc equivalents over 12.0 metres in hole YA-52; 11.94% zinc equivalents over 11.0 metres and 10.53% zinc equivalents over 7.0 metres in hole YA-54; 11.53% zinc equivalents over 6.0 metres in hole YA-48 and 7.39% zinc equivalents over 54.6 metres in hole YA-54.

A new 43-101 compliant technical report for the Yanque deposit is expected to be completed during the third quarter of 2011.

Negotiations with the community regarding an access agreement were successfully completed in July 2010. The new agreement is along the lines of the signed agreement with the community holding the surface rights to the Accha deposit and also gives the Company access to the area for a five year period.

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

Other Accha Zinc Oxide District Prospects

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

The Gema Properties are located adjacent to Zincore's Yanque Project; the main Gema prospect is nine kilometres northwest of Yanque. Gema is hosted in the same oxidized limestones as Yanque, with mineralized gossans that outcrop sporadically. There is no evidence of previous exploration other than small pits by artisanal miners. Several mineralized mantos have been identified in three separate areas of concentration, along strike over a distance of more than one kilometre. The mantos average between one and four metres in width and contain anomalous values of lead, zinc, silver and locally gold. A two metre channel sample collected by Zincore personnel from one of the mantos returned values of 729 parts per billion Au, 189g/t Ag, 8.38%Pb and 1.16%Zn.

Zincore's 2011 Gema exploration program will consist of detailed mapping and trenching to better define the continuity and grades of the mineralized gossans.

Dolores

In 2008 the Company discovered a copper-molybdenum porphyry target east of Yanque called Dolores. A large target area was identified, however sampling and assaying were confined to a road cut that exposed the underlying mineralization and returned encouraging high-grade values.

In 2010 surface mapping, sampling and geophysical work confirmed that the Dolores prospect forms a large porphyry system that is approximately six kilometres in diameter. High grade copper-gold mineralization associated with classic potassic and phyllic alteration within a larger argillic halo exposing characteristic multiple phase porphyritic intrusions, hydrothermal breccias, dense stock-work veining and peripheral skarn mineralization are exposed along a recently improved access road to the community of Yanque.

Mapping by company geologists during the third quarter of 2010 identified other mineralized areas within the Dolores target area and work continues to better define these targets.

VDG del Peru SAC of Lima was contracted to carry out a deep reconnaissance IP survey over 22 square kilometres with 500 metre line-spacing (48 line kilometres). Magnetic and Gamma Spectrometry were also completed within the same target area at 250 metre line spacing (92 line kilometres).The survey was completed late in 2010 and results confirmed the presence of large chargeability and magnetic anomalies that are consistent with porphyry style mineralization. Drilling started in early 2011 following the approval of the first stage drill permit and results from the first two holes were released on March 3, 2011. The results from the second hole indicated consistent and evenly distributed copper and molybdenum mineralization throughout the length of the hole, including 0.27% copper equivalent over 297 metres. The mineralization was encountered just below the surface (at about 18 metres) and extended to 315 metres with no zero grade intervals.

No significant values were intercepted for the first drill hole, which is located almost two kilometres from the second one, which cut what is believed to be a younger, unmineralized intrusive within the Dolores system.

Results of these two holes are the first in a ten hole drill program that is on-going and the results of the last eight holes are expected to be received in the second quarter.

Other Exploration Properties

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 the community leaders of one of the principal communities involved in the project have demonstrated a willingness to reach an agreement with the Company. Discussions continue with community leaders on the terms of agreement.

In April 2010 the Company optioned a promising zinc land package from Midland. The Gatineau project is located in the province of Québec and is close to major infrastructure. This project is known to host several significant zinc occurrences and it shares many similarities with the prolific Balmat-Edwards District, located only 60 kilometres to the south. The zinc mineralization occurs either as conformable to relict bedding within certain stratigraphic horizons, or within cross-cutting, ductile shear zones.

In the Gatineau area, there are more than 40 zinc, zinc-iron and iron showings and prospects that are mainly concentrated in the west part of the Grenville meta-sedimentary belt (Gatineau-Maniwaki area). The zinc and zinc-iron occurrences are hosted in dolomitic marbles and found occasionally in association with overlying iron formation that are sulphide-rich, iron oxide-rich and/or carbonate-rich.

The exploration program on the Gatineau project started in July 2010 with some ground geophysical surveys and additional geological mapping of priority AEM targets. Two trenches were completed to obtain further geological data in order to orient a future drilling campaign. Channel sampling, on both sites, revealed a zinc rich massive sulphide horizon. On one trench, a total of 35 samples were collected from six channels through the massive sulphide horizon, traceable over an 80 metre strike length. Best results returned 24.1% zinc over 3.0 metres, including 32.5% zinc over 2.0 metres. On the second trench, located to the southwest, a total of 14 samples were collected from three channels through the massive sulphide horizon. Best results returned 21.0% zinc over 2.0 metres. Overall, a total of 12 intervals, each 0.5 metre long, have returned assays over 30% zinc, including one value as high as 43.13% zinc. The first phase drill program began late in the fourth quarter of 2010 and was completed at the end of February 2011. The company is currently reviewing the results from Midland's work report and a decision will be taken shortly on whether or not to continue with this option agreement.

QUARTERLY FINANCIAL INFORMATION

This selected consolidated financial data should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three month periods ended March 31, 2011 and 2010 and the audited consolidated financial statements for the years ended December 31, 2010 and 2009.

FISCAL QUARTER ENDED	MAR 31, 2011 (IFRS)	DEC 31, 2010 (RESTATED IFRS)	SEP 30, 2010 (RESTATED IFRS)	JUN 30, 2010 (RESTATED IFRS)	MAR 31, 2010 (RESTATED IFRS)	DEC 31, 2009 (GAAP)	SEP 30, 2009 (GAAP)	JUN 30, 2009 (GAAP)
Interest and other income	$ 22,855	$ 20,958	$ 7,999	$ 4,328	$ 4,743	$ 4,041	$ 330	$ 2,802
Net loss	$ (1,815,808)	$ (2,632,182)	$ (879,649)	$ (982,260)	$ (800,217)	$ (762,017)	$ (916,951)	$ (407,210)
Net loss per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)
Total assets	$ 29,255,146	$ 31,053,966	$ 23,491,636	$ 22,293,545	$ 20,790,704	$ 21,088,056	$ 21,541,181	$ 16,711,613
Total liabilities	$ 1,009,996	$ 803,716	$ 1,483,079	$ 1,815,456	$ 233,475	$ 239,391	$ 197,252	$ 466,302

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 second quarter of 2009 reflects the planned reduction in activities to preserve liquidity. The increase in net loss since then was a result of resuming activities following the Company's increased liquidity.

During the quarter ended 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 since the fourth quarter of 2009, the Company's overall corporate and exploration expenses have slowly begun to rise again reflecting the increased activity during 2010 and 2011. Quarterly variances in net loss have generally been impacted by four key factors: mineral property write-offs, share-based compensation expense, foreign exchange gains or losses, and general exploration expense.

During the first quarter of 2011 the Company recorded $310,785 in share - based compensation and $247,000 in exploration costs on the Sajapampa project that was written off in the fourth quarter of 2010. There were recruiting fees for the hiring of key personnel in Peru and the quarter's expenditures also reflect salary raises given to key personnel in 2010 and income tax expense of $131,000 due to the renunciation of expenditures as a result of a flow through financing done in March 2010.

During the fourth quarter of 2010 the Company expensed mineral property costs of $897,840 relating to the Cariboo and Sajapampa properties and 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 the four quarters of 2010, the Company recorded $280,956, $135,582, $158,156, $107,642, and $371,987 respectively, as share-based compensation as a result of stock options granted.

Share-based compensation expense is impacted by vesting schedules, forfeitures and the number of options granted. 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. Interest income varies with changes in 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 country, general exploration expense is typically higher than in other periods.

Total assets in the fourth quarter of 2010 and the third quarters of 2010 and 2009, increased primarily as a result of equity financings, and a large increase in liabilities in the second quarter of 2010 resulted primarily from firm one year commitments the Company agreed to pursuant to the Gatineau, Cariboo, and Sajapampa property agreements. There were no firm commitments outstanding as at the end of the fourth quarter of 2010. There has also been increased metallurgical and drilling activity on the Accha Zinc Oxide District which has contributed to the increased asset and current liability levels.

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. 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. However, given the uncertainty surrounding the second round of the Peruvian presidential election scheduled for June 5, 2011, there is no guarantee that the Company will be able to secure the funding necessary to complete its exploration objectives in the time frame discussed in this MD&A.

As at March 31, 2011, Zincore had working capital of $5,483,997 compared to $9,715,281 at December 31, 2010. Working capital consists of current assets less current liabilities. The working capital decrease was due to drilling on the Accha Zinc Oxide District and Dolores project as well as general corporate activities both in Canada and Peru. Expenditures on the Accha Zinc Oxide District and Dolores property during the first quarter of 2011 totalled $1,654,283 and $1,085,726, respectively. Expenditures on all the Company's projects totaled $2,811,666. The expenditures on other projects primarily related to community relations work on the Minasccasa project and exploration work done on the Gatineau project.

Zincore does not hold any asset-backed commercial paper and has current liabilities at the end of the first quarter of 2011 totalling $1,009,996. Accounts payable and accrued liabilities relate principally to trade payables.

The Company's material contractual obligations is a new office sub-lease entered into in September 2010 and expiring in September 2017.

	TOTAL	2011	2012	2013	2014	2015-2017
Operating lease obligations	$ 1,111,111	$ 126,027	$ 169,406	$ 172,146	$ 173,516	$ 470,016

The Company entered into a contract with certain of its officers and key employees, whereby, in the event that the officer ceases to be an officer or employee of the Company within six months after the date on which control of the Company changes, the Company will pay the following amounts: in the case of the CEO, an amount equal to two years' salary, and in the case of the CFO, Vice-President, Exploration, General Counsel, AZOD Project Manager, and Accountant an amount equal to one year's salary. The contract provides that payment of such compensation is not triggered simply by voluntary resignation or termination for cause.

In addition to change of control provisions, those same individuals also have provisions for payments in the event of termination by the Company without cause. The provisions are as follows (i) three (3) months' salary if they have worked for the Company for up to three years; (ii) four (4) months' salary if they have worked for the Company for more than three but less than four years; five (5) months' salary if they worked for the Corporation for more than four but less than five years, and six (6) months' salary if they have worked for more than five but less than six years.

Annual property maintenance payments for the Accha Zinc Oxide District, Minasccasa and Dolores properties in Peru totaling approximately U.S. $330,000 are to be paid in June 2011.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

The Company paid remuneration for management services to a company, controlled by a director in common. Details of these related party transactions are as follows:

	THREE MONTHS ENDED MARCH 31, 2011	THREE MONTHS ENDED MARCH 31, 2010
Remuneration paid to a company controlled by a director for contracting work	$ 86,028	$ 62,647

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party. The remuneration of directors and key management personnel during the three month period ending March 31, 2011 is as follows:

		THREE MONTHS ENDED MARCH 31, 2011		THREE MONTHS ENDED MARCH 31, 2010
Salaries and directors' fees [1]	$	327,604	$	272,926
Share-based payments [2]		149,615		108,275
Total	$	477,219	$	381,201

1 Salaries and directors' fees include consulting and management fees disclosed above.

2 Share-based payments are the fair value of options that have been granted to directors and key management personnel.

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, and accounts payable. The Company has designated its cash and cash equivalents as financial assets at fair value through profit or loss, 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 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 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 isassured. 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 as well as the uncertainty surrounding the Peruvian Presidential election described above, 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. 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.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2010 prepared in accordance with GAAP. The basis of preparation of these unaudited interim consolidated financial statements is different to that of the Company's most recent annual consolidated financial statements due to the first-time adoption of IFRS. An explanation of how the transition to IFRS with a transition date of January 1, 2010 has affected the reported financial position and financial performance of the Company is provided in note 13. Note

13 includes reconciliations of the Company's condensed consolidated balance sheets and statements of loss and comprehensive loss and cash flows for comparative periods prepared in accordance with GAAP and as previously reported to those prepared and reported in these unaudited interim consolidated financial statements in accordance with IFRS.

The policies applied in these condensed consolidated interim financial statements are based on IFRSs issued and outstanding as at May 6, 2011, the date the Board of Directors approved these condensed consolidated interim financial statements for issue.

The standards that will be effective in the annual financial statements for the year ending December 31, 2011 are subject to change and may be affected by additional interpretation(s). Accordingly, the accounting policies for the annual period that are relevant to these condensed consolidated interim financial statements will be determined only when the first IFRS financial statements are prepared for the year ending December 31, 2011.

The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the condensed consolidated interim statement of financial position;
- the carrying value of the short – term investments and the recoverability of the carrying value which are included in the condensed consolidated interim statement of financial position;
- impairment of non-financial assets;
- the estimated useful lives of property, plant and equipment which are included in the condensed consolidated interim statement of financial position and the related depreciation included in the consolidated statement of comprehensive loss;
- the inputs used in accounting for share-based compensation expense in the condensed consolidated interim statement of comprehensive loss;
- the provision for income taxes which is included in the condensed consolidation interim statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed consolidated interim statement of financial position at March 31, 2011; and
- The inputs used in determining the various commitments and contingencies accrued in the condensed consolidated interim statement of financial position.

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations noted above, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, functional currency determination for the Company and its subsidiaries, and assumption of going concern.

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but not are not limited to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Exploration and evaluation ("E&E") assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount and when the Group has sufficient information to reach a conclusion about technical feasibility and commercial viability.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- title to the asset is compromised;
- adverse changes in the taxation and regulatory environment;
- adverse changes in variations in commodity prices and markets; and
- variations in the exchange rate for the currency of operation.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company accounts for income taxes using the asset and liability method. Under this method, future income taxes are recorded for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities, as well as for the benefits of losses available to be carried forward to future years for tax purposes. These future taxes are measured by the provisions of substantively enacted tax laws. Future income taxes are recorded in the financial statements if realization is considered more likely than not.

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at period end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

In 2010 the Company issued flow-through shares in a financing completed during the first quarter of that year. Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under GAAP however there is no equivalent IFRS guidance. Therefore, the company intends to adopt a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is credited to accounts payable and accrued liabilities and recorded against income tax expense at the time the qualifying expenditures are made. As a result the company reversed the premium of $40,000 from share capital and credited accounts payable and accrued liabilities. The recognition of the future income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation.

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The presentation currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency of Zincore Metals Inc. and Polymex Resources Ltd. is the Canadian dollar. The functional currency of Nazca Minerals Ltd., Paracas Minerals Inc., Wari Minerals Limited, Antacollo

S.A.C., and Exploraciones Collasuyo S.A.C. is the United States dollar. The functional currency of Exploraciones Y Metales del Centro SACV is the Mexican Peso. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

These condensed consolidated interim financial statements have been translated to the Canadian dollar in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION OF IFRS

These are the first condensed consolidated interim financial statements prepared in accordance with IFRS. The Company adopted IFRS in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"). The first date at which IFRS was applied was January 1, 2010 ("Transition Date"). IFRS1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS.

IFRS 1 requires that the same policies are applied for all periods presented in the first IFRS financial statements and that those policies comply with IFRSs in effect as at the end of the first IFRS annual reporting period. Accordingly, the opening IFRS statement of financial position, 2010 comparatives and current period financial statements have been prepared using the same policies. The previously presented 2010 GAAP financial information has been reconciled to the IFRS information as part of the transition note in accordance with the requirements of IFRS 1. Further, the policies applied have been done so on a full retrospective basis unless an alternative treatment is permitted or required by an IFRS 1 election or exception. These are discussed below.

Elections upon first time adoption of IFRS

The IFRS1 exemptions applied by the Company in the conversion from GAAP to IFRS are as follows:

- Business Combinations: In choosing to elect this exemption, the Company is not required to apply IFRS 3 Business combinations retroactively to transactions that occurred prior to the date of transition to IFRS.
- Cumulative translation differences: Allows the Company to deem the cumulative translation difference at the date of transition to IFRS as zero.

In assessing the impact of its conversion to IFRS, the Company identified the following significant difference in its current accounting policies and those that it expects to apply under IFRS:

- Foreign currency considerations: The Company has analyzed the functional currency under IAS 21 "The effect of changes to foreign exchange rates." On assessment of primary indicators the Company has changed the functional currency of four of its group companies.

As a result of this change, the IFRS 1 Cumulative translation adjustments will be elected. This will have the effect of reclassifying all previously recorded translation adjustments from other comprehensive income to retained earnings.

Reconciliations of GAAP to IFRS

- Reconciliation of Loss and Coomprehensive Loss (unaudited) – table on P.15
- Reconciliation of Assets, Liabilities and Equity (Unaudited) – table on P.16
- Reconciliation of cash flows (unaudited) – table on P.17

RECONCILIATION OF STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

	GAAP THREE MONTHS ENDED MARCH 31, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** THREE MONTHS ENDED MARCH 31, 2010	**GAAP** YEAR ENDED DECEMBER 31, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** YEAR ENDED DECEMBER 31, 2010
Expenses						
Salaries and benefits	$ 310,318	$ –	$ 310,318	$ 1,660,826	$ –	$ 1,660,826
General exploration	163,494	(152)	163,342	1,257,133	(10,493)	1,246,640
Consulting and management fees	128,115	555	128,670	710,292	(586)	709,706
Travel	61,203	610	61,813	252,045	2,828	254,873
Office expense	52,952	(30)	52,922	289,030	(65)	288,965
Shareholder information	48,988	58	49,046	236,667	(101)	236,566
Mineral property costs written off	–	–	–	889,613	8,227	897,840
Legal and accounting	30,456	(557)	29,899	153,232	(2,966)	150,266
Foreign exchange loss	12,220	(4,597)	7,623	98,576	(55,087)	43,489
Loss on sale of property, plant and equipment	–	–	–	8,258	(132)	8,126
Depreciation	1,327	–	1,327	6,039	–	6,039
Loss before undernoted item	(809,073)	4,113	(804,960)	(5,561,711)	58,375	(5,503,336)
Interest income	4,743	–	4,743	38,028	–	38,028
Loss before income taxes	(804,330)	4,113	(800,217)	(5,523,683)	58,375	(5,465,308)
Future income tax	–	–	–	171,000	–	171,000
Loss for period	(804,330)	4,113	(800,217)	(5,352,683)	58,375	(5,294,308)
Other comprehensive loss:						
Foreign currency translation differences in foreign operations	–	(487,802)	(487,802)	–	(983,726)	(983,726)
Total comprehensive loss	$ (804,330)	$ (483,689)	$ (1,288,019)	$ (5,352,683)	$ (925,351)	$ (6,278,034)

RECONCILIATION OF STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	GAAP JAN 1, 2010	EFFECT OF TRANSITION TO IFRS	IFRS JAN 1, 2010	GAAP MAR 31, 2010	EFFECT OF TRANSITION TO IFRS	IFRS MAR 31, 2010	GAAP DEC 31, 2010	EFFECT OF TRANSITION TO IFRS	IFRS DEC 31, 2010
Current assets									
Cash and cash equivalents	$ 4,869,057	$ –	$ 4,869,057	$ 4,448,908	$ (16)	$ 4,448,892	$ 10,302,647	$ (197)	$ 10,302,450
Prepaids, advances and other receivables	50,019	–	50,019	38,930	(2)	38,928	176,546	1	176,547
	4,919,076	–	4,919,076	4,487,838	(18)	4,487,820	10,479,193	(196)	10,478,997
Non-current assets									
Other assets	20,997	–	20,997	20,997	–	20,997	–	–	–
Exploration advances and other receivables	16,919	–	16,919	10,068	–	10,068	378,474	(28)	378,446
Property, plant, and equipment	80,954	–	80,954	76,511	(1,878)	74,633	149,288	(4,347)	144,941
Mineral properties	16,050,110	–	16,050,110	16,679,738	(482,552)	16,197,186	20,805,851	(925,269)	19,880,582
Deferred income tax	–	–	–	–	–	–	171,000	–	171,000
	16,168,980	–	16,168,980	16,787,314	(484,430)	16,302,884	21,504,613	(929,644)	20,574,969
Total Assets	$ 21,088,056	$ –	$ 21,088,056	$ 21,275,152	$ (484,448)	$ 20,790,704	$ 31,983,806	$ (929,840)	$ 31,053,966
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	$ 218,705	$ –	$ 218,705	$ 173,548	$ 39,241	$ 212,789	$ 768,204	$ 35,512	$ 803,716
	218,705	–	218,705	173,548	39,241	212,789	768,204	35,512	803,716
Non-current liabilities									
Long term obligation	20,686	–	20,686	20,686	–	20,686	–	–	–
	20,686	–	20,686	20,686	–	20,686	–	–	–
Total Liabilities	239,391	–	239,391	194,234	39,241	233,475	768,204	35,512	803,716
Equity									
Share capital	29,993,077	–	29,993,077	30,894,078	(40,000)	30,854,078	43,926,388	(40,000)	43,886,388
Share based payment reserve	1,918,048	–	1,918,048	2,053,630	–	2,053,630	3,704,357	–	3,704,357
Foreign currency translation reserve	–	–	–	–	(487,802)	(487,802)	–	(983,726)	(983,726)
Deficit	(11,062,460)	–	(11,062,460)	(11,866,790)	4,113	(11,862,677)	(16,415,143)	58,374	(16,356,769)
	20,848,665	–	20,848,665	21,080,918	(523,689)	20,557,229	31,215,602	(965,352)	30,250,250
Total Equity and Liabilities	$ 21,088,056	$ –	$ 21,088,056	$ 21,275,152	$ (484,448)	$ 20,790,704	$ 31,983,806	$ (929,840)	$ 31,053,966

RECONCILIATION OF STATEMENTS OF CASH FLOWS (UNAUDITED)

	GAAP THREE MONTHS ENDED MARCH 31, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** THREE MONTHS ENDED MARCH 31, 2010	**GAAP** YEAR ENDED DECEMBER 31, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** YEAR ENDED DECEMBER 31, 2010
Operating Activities						
Loss before income taxes	$ (804,330)	$ 4,113	$ (800,217)	$ (5,523,683)	$ 58,375	$ (5,465,308)
Items not involving cash:						
Depreciation	1,327	–	1,327	6,039	–	6,039
Share-based compensation	135,582	–	135,582	773,367	–	773,367
Loss on sale of property, plant and equipment	–	–	–	8,258	(132)	8,126
Mineral property costs written off	–	–	–	889,613	8,227	897,840
	(667,421)	4,113	(663,308)	(3,846,406)	66,470	(3,779,936)
Change in non-cash operating working capital items:						
Decrease (increase) in prepaids, advances and other receivables	11,089	2	11,091	(105,530)	–	(105,530)
(Decrease) increase in accounts payable and accrued liabilities	(12,187)	3	(12,184)	45,010	–	45,010
Cash used in operating activities	(668,519)	4,118	(664,401)	(3,906,926)	66,470	(3,840,456)
Investing Activities						
Additions to property, plant and equipment	(602)	25	(577)	(102,151)	693	(101,458)
Mineral property expenditures	(305,990)	(4,159)	(310,149)	(5,146,086)	(67,364)	(5,213,450)
Cash used in investing activities	(306,592)	(4,134)	(310,726)	(5,248,237)	(66,671)	(5,314,908)
Financing Activity						
Shares issued	564,001	–	564,001	14,606,253	–	14,606,253
Cash provided by financing activity	564,001	–	564,001	14,606,253	–	14,606,253
Effects of exchange rate change on cash and cash equivalents held in a foreign currency	(9,039)	–	(9,039)	(17,500)	–	(17,500)
(Decrease) increase in cash and cash equivalents during the period	(420,149)	(16)	(420,165)	5,433,590	(201)	5,433,393
Cash and cash equivalents at beginning of period	4,869,057	–	4,869,057	4,869,057	–	4,869,057
Cash and cash equivalents at end of period	$ 4,448,908	$ (16)	$ 4,448,892	$ 10,302,647	$ (201)	$ 10,302,450
Issued 1,000,000 common shares pursuant to mineral properties agreement	$ 340,000	$ –	$ 340,000	$ 340,000	$ –	$ 340,000
Other assets reclassified to short-term	$ –	$ –	$ –	$ 20,997	$ –	$ 20,997
Obligation reclassified to short-term	$ –	$ –	$ –	$ (20,686)	$ –	$ (20,686)
Interest received	$ 4,743	$ –	$ 4,743	$ 38,028	$ –	$ 38,028
Warrants issued	$ –	$ –	$ –	$ 1,019,542	$ –	$ 1,019,542

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2011 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

IFRS 9, Financial Instruments: effective for accounting periods commencing on or after January 1, 2013; and

IFRS 7, Financial Instruments: Disclosures: effective for accounting periods commencing on or after July 1, 2011.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 141,405,075 common shares issued and outstanding.

As at the date of this MD&A, Zincore has 7,987,000 stock options outstanding with a weighted average exercise price of $0.40 per option. Of this total, 6,132,325 stock options are exercisable with a weighted average exercise price of $0.36. The Company also has 4,154,286 warrants outstanding with an exercise price of $0.45 expiring on July 5, 2012, and 1,602,000 warrants outstanding with an exercise price of $0.48 expiring on November 8, 2012.

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

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 has 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, 2010. 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. The Company has a policy to have its external auditors review its quarterly financial statements.

There has been no change in the Company's internal control over financial reporting during the three month period ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.