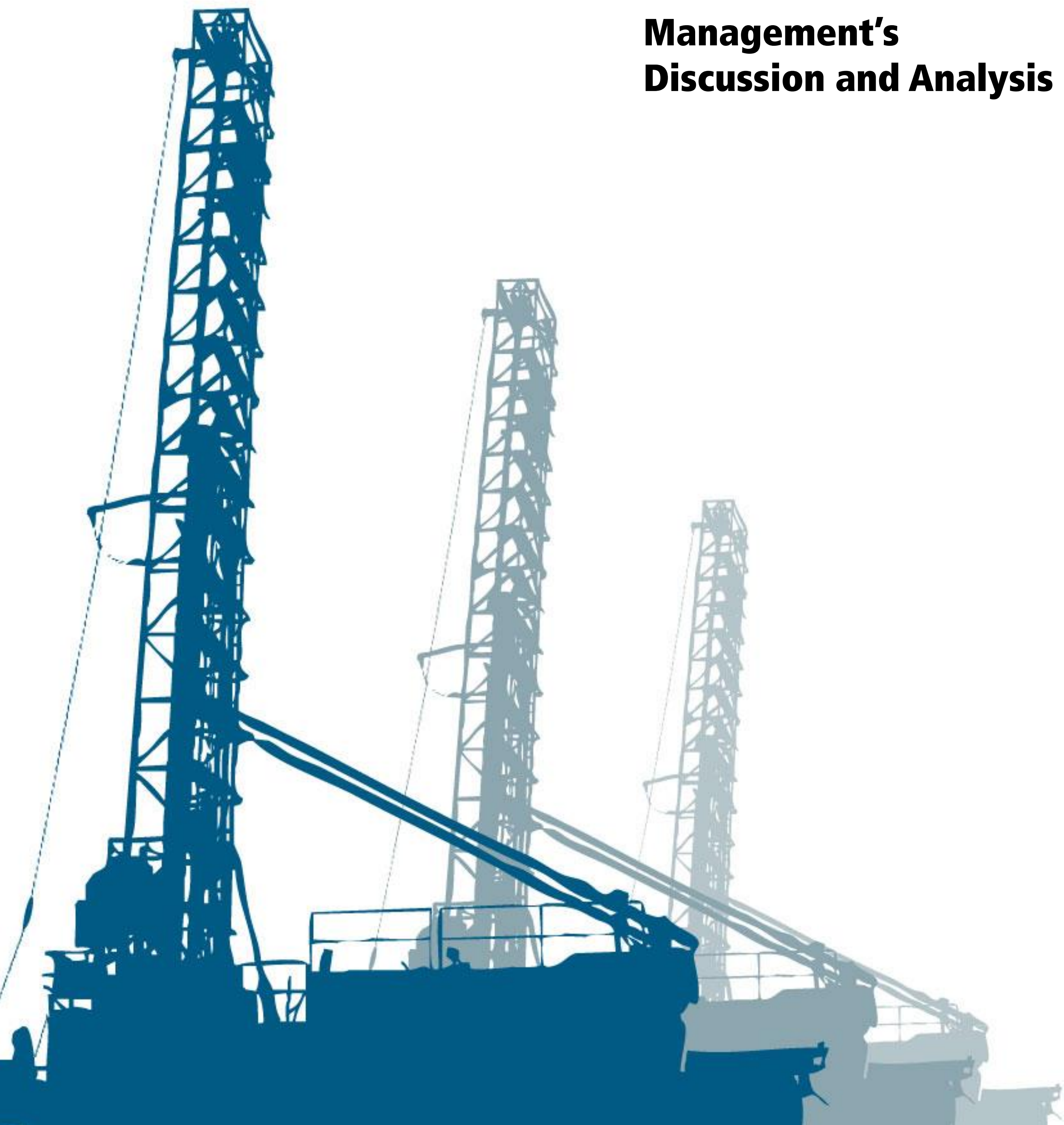
ZINCORE METALS INC.

For the Years Ended
December 31, 2012 and 2011

Management's Discussion and Analysis



CONTENTS

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

For the Years Ended December 31, 2012 and 2011
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 year ended December 31, 2012 is prepared as of March 22, 2013 and should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2012 and 2011 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 22, 2013, 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

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing, execution, and success of exploration activities) and opportunities. In this MD&A this specifically includes statements regarding the timing of completion of the Prefeasibility Study ("PFS") on the Accha Zinc Oxide ("AZOD") project and timing of various stages of the Dolores drilling program. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. These assumptions include among other things: (i) assumptions about the price of zinc, lead, copper and other base metals; (ii) that there are no material delays in the preparation of the PFS on the AZOD project, and drill program on Dolores; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that the supply and demand for zinc, lead, and copper develops as expected; (vi) that there is no unanticipated fluctuation in foreign exchange rates; and (vii) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of zinc, lead, and copper; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; (vi) environmental and political risks and changes in environmental and mining legislation.(vii) community relations risks associated with operating in Peru.

The Company's annual information form contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

OUTLOOK

The Company completed two private placement equity financings in 2012 whereby it has raised gross proceeds of $9,227,775 by issuing a total of 46,138,874 common shares. These proceeds have been, and are currently being used for the PFS on the AZOD project, exploration on the Dolores property, a regional exploration program on its property portfolio, and for general corporate purposes. Although the Company has funds to pursue its current work plans, given the difficult equity market conditions, the Company continues to explore options to raise capital and reduce its overhead costs. In 2012 the Company reduced staff and moved into smaller office space, both in Peru and Canada, in order to preserve capital.

As a result of the successful completion of the equity financings, work on the PFS relating to the AZOD project began during the second quarter of 2012. Metallurgical test work in labs in Poland and South Africa, and a geotechnical drilling program were completed in 2012. The Company is targeting the first half of 2013 for completion of the PFS.

The Company has entered into a strategic partnership with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum made an investment into the Company through one of the private placements discussed above, and can earn up to an 80% interest in Polymex Resources Ltd. (a currently 100% owned subsidiary of Zincore) ("Polymex"), which indirectly controls the Dolores copper-porphyry project, by funding, in successive earn-in options, the advancement of the project through exploration, development and production. First Quantum currently owns approximately 19.9% of the Company's issued and outstanding common shares. The Company believes the benefits of this partnership to its shareholders are significant and extend beyond the Dolores project. The funds that First Quantum has invested in Zincore has allowed the Company to more actively pursue the PFS on the AZOD project. At the same time, funds are now available to explore the Dolores area, as well as the Company's other land package, much more aggressively than the Company could on its own. The Company is now in a better position to increase its project portfolio and deliver significant results for both its copper and zinc projects to the market sooner than it could without the help of its new strategic partner. At Dolores, a drill program that was fully funded by First Quantum as part of the earn-in agreement commenced during the third quarter of 2012 and was completed during the first quarter of 2013. The program included 7 drill holes totaling approximately 4,000 metres, which combined with extensive geochemical and geophysical surveys completed in 2012, has given the Company an important body of information. This information is currently being assessed and interpreted in order to develop a new drill program which the Company hopes to commence by the end of the second quarter of 2013.

So far in 2013, the Company has received an additional US $1,927,033 from First Quantum as further contribution to the Dolores joint venture. Of that amount, approximately $692,000 relates to December expenditures incurred by the Company which was recorded as a receivable at December 31, 2012. As of the date of this MDA, First Quantum has made cash contributions totalling US $4,424,814 to the Dolores Joint Venture, and has incurred exploration expenditures totalling US $84,601 to make their total earn-in contribution to the project to date total US $4,509,415.

On March 22, 2013 the Company announced that it had executed a loan agreement with First Quantum to provide the Company with US$2 million ("the Loan") for working capital purposes. The repayment of the Loan, which Zincore may choose to repay in cash, will convert at maturity into one of three options as selected by First Quantum: a credit against First Quantum's obligations to incur exploration expenses at the two companies' Dolores joint venture project, a credit against the First Quantum's earn-in obligations at any new copper project with Zincore, or shares of Zincore stock, subject to shareholder approval. See "Financial Condition, Liquidity and Capital Resources" section for more details. This injection of cash, which is still subject to TSX approval, will allow Zincore to continue to add value to the Company without having to issue shares in the current negative market environment. It is hoped that the loan will give the Company time to increase its share price through positive corporate progress or a return to a more favourable overall market, before it's next equity offering.

DESCRIPTION OF BUSINESS

Zincore is an exploration stage mining company engaged in the identification, acquisition, evaluation, exploration and development of zinc and base metal properties in the Americas. 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, 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 AZOD project in Peru, and initial exploration at its other properties to further assess potential and develop more detailed exploration programs.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

2012 was a year of extreme market volatility as investors moods swung back and forth between positive and negative. Market participants agonized about economic growth in China and other developing nations, the fate of the European Union, and the US fiscal cliff. Not surprisingly in this environment, liquidity and perceived safety reigned supreme, and large companies, as represented by the S&P 500, advanced by almost 13.5% versus 4% for the resource-laden and more economically-sensitive S&P TSX Composite. Further underscoring investor dislike for less-liquid, junior resource companies, the

S&P TSX Venture index declined by almost 18%. In such an environment, Zincore's stock price remained volatile, trading between C$0.095 and C$0.285, closing the period at C$0.10 after opening the year at C$0.19 for a loss of 47%.

Global uncertainty also impacted the zinc market with the metal's price moving between a low of US$0.80/lb and high of US$0.95/lb. Zinc opened 2012 near its annual low at US$0.83/lb and closed near its high at US$0.93 suggesting that perhaps 2013 will finally be a more positive year for zinc.

The Company commenced work on it PFS during the second quarter of 2012. The PFS is being performed by AMEC who had completed the Preliminary Economic Assessment ("PEA") released in 2011. Metallurgical test work in labs in Poland and South Africa, and a geotechnical drilling program were completed in 2012, the results of which will be included in the PFS. The metallurgical test work was intended to optimize the Company's Waelz kiln process and built on previous laboratory and pilot plant test work.

On May 10, 2012, the Company entered into a strategic partnership with First Quantum. Under the terms of a Memorandum of Understanding ("MOU") a wholly-owned subsidiary of First Quantum made a strategic investment in the Company whereby it purchased, by way of a private placement, 19,113,874 common shares of the Company at a price $0.20 per share for gross proceeds totalling $3,822,775. Zincore will conduct a regional exploration program on its concessions using a minimum of 60% of these private placement funds, including a minimum of US$1.0 million in the 12 months following closing of the private placement. As at December 31, 2012, the Company had spent approximately $1,326,307 on the regional exploration program. As well, First Quantum can earn up to an 80% interest in Zincore's Dolores copper porphyry project by funding the advancement of the project through exploration, and if warranted, development and production. Details of this earn-in agreement can be found below under the section "Property Review". The Company paid fees totalling $192,175 in connection with this private placement.

On March 16, 2012, the Company raised, by way of a non-brokered private placement, gross proceeds totalling $5,405,000 by issuing 27,025,000 units at $0.20 per unit. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at $0.30 for up to 2 years. These warrants were valued at $1,475,375 by using the Black-Scholes options pricing model assuming no dividends are to be paid, volatility of 89%; risk free interest rate of 1.12%; and an estimated life of 2 years. The Company paid fees totalling $378,414 in connection with this private placement.

On January 11, 2012, the Company released Dolores trench results that included 0.71% copper equivalent over a twenty-nine metre trench, located 450 metres and 1 km away from holes DOL-10 and DOL-9 respectively, two of the most highly prospective holes drilled on the property to date. The mineralization in Trench One is hosted in the same altered quartz diorite porphyry cut in holes DOL-9 and DOL-10, which indicates that the trench area is part of the same system where the Company achieved excellent drill results. Also of note is that all samples in the trench were mineralized indicating that mineralization extends beyond the outcrop and into the surrounding areas. On April 3, 2012, the Company released additional trench results which reported that it continues to encounter higher grade mineralization in an undrilled area of Dolores. These latest results bring the weighted average grade of this trench to 0.76% copper equivalent over fifty-two metres. See news release dated April 3, 2012 for full details. A new drill program commenced during the third quarter of 2012 which was fully funded by First Quantum as part of the earn-in agreement.

In November 2012, the Company released assay results from hole Dol-11 which is the first hole drilled on Dolores under the term of the Earn-In Agreement with First Quantum. Highlights included 0.27% copper equivalent over 35.7 metres and 0.19% copper equivalent over 125.6 metres. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$2.75/lb copper and US$15.00/lb molybdenum and do not include any potential gold or silver credits. Metallurgical recoveries and net smelter returns are assumed to be 100%.

On January 8, 2013, results from holes Dol-12 and Dol-13 were released and highlights from those results include 0.17% copper equivalent over 584.7 metres in hole Dol-12, including 0.26% copper equivalent over 143 metres, 0.35% copper equivalent over 36.4 metres, 0.40% copper equivalent over 10 metres, and 0.31% copper equivalents over 45.8 metres. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$2.75/lb copper and US$15.00/lb molybdenum and do not include any potential gold or silver credits. Metallurgical recoveries and net smelter returns are assumed to be 100%. Results in Hole Dol-13 did not return high copper values, however, the hole was intended to be a deep exploratory probe and did meet its goal of intersecting at depth what had been interpreted as mineralized quartz diorite porphyry dikes and quartz chalcopyrite veinlets at the contact between the barren tonalite porphyry and quartzites. Holes 14 to 17 are complete and the results were recently announced in a news release dated March 21, 2013.

As at December 31, 2012, the Company had working capital, comprised of current assets less current liabilities, totaling $824,499. Current liabilities include deferred compensation accruals totalling $634,533 which are only payable upon completion of a successful financing by the Company. As well, the Company has the discretion to pay $248,550 of this deferred compensation in common shares of the Company, rather than cash.

So far in 2013, the Company has received an additional US $1,927,033 from First Quantum as further contribution to the Dolores joint venture. Of that amount, approximately $692,000 relates to December expenditures incurred by the Company which was recorded as a receivable at December 31, 2012. As of the date of this MDA, First Quantum has made cash contributions totalling US $4,424,814 to the Dolores Joint Venture, and has incurred exploration expenditures totalling US $84,601 to make their total earn-in contribution to the project to date total US $4,509,415.

SELECTED ANNUAL INFORMATION

	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011	YEAR ENDED DECEMBER 31, 2010
Interest and other income	$ 44,573	$ 59,422	$ 38,028
Net loss	$ 3,757,886	$ 6,637,088	$ 5,294,308
Net loss per share	$ 0.02	$ 0.04	$ 0.05
Total assets	$ 40,872,579	$ 32,230,214	$ 31,053,966
Financial liabilities	$ 5.145,613	$ 1,067,376	$ 803,716
Common shares outstanding	210,443,949	164,305,075	141,385,075

Zincore does not yet have operating mining assets. Annual variations in costs and net losses reflect the higher or lower levels of exploration activities on its properties. The decreased interest and other income resulted from lower average cash balances. The lower net loss resulted from the absence of mineral property cost write offs in 2012 as well as lower general and administrative costs a result of moving into a smaller office spaces in Lima and Vancouver and a reduction in staff levels in both cities. As well, in 2011, there was higher share-based compensation and the hiring of a foreign based interim CFO resulted in high travel and recruitment fess. The increase in total assets in 2012 compared to 2011 is the result of equity financings completed during 2012 and the increased expenditures on the Dolores project being funded by First Quantum. The increase in liabilities between 2012 and 2011 largely reflects the contribution by First Quantum to their earn-in relating to the Dolores project which has been recorded as a liability.

The increased interest and other income in 2011 compared to 2010 resulted from higher cash balances as a result of the equity financings completed during 2010 and 2011. The higher net loss in 2011 compared to 2010 resulted from increased exploration and corporate activities as well as higher stock based compensation and mineral property cost write-offs. As well, in 2011, the hiring of a foreign based interim CFO resulted in larger consulting and travel fees.

RESULTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
Salaries and benefits	$ 1,279,175	$ 1,795,186
General exploration	$ 868,615	$ 1,978,163
Consulting and management fees	$ 887,874	$ 802,707
Other general and administrative expenses	$ 777,386	$ 1,268,696
Depreciation	$ 8,013	$ 7,694
Mineral property costs written off	$ -	$ 693,802
Foreign exchange (gain) loss	$ (18,604)	$ 19,262

Salaries and benefits were lower by approximately 29% in 2012 when compared to 2011 due to staff cut backs and reductions in fees paid to the Company's Board of Directors. The cut backs were deemed necessary as a result of the difficult equity raising environment currently being experienced. The Company continues to investigate options for reducing costs. Also, share-based compensation recorded in salaries and benefits in 2012 totalled $273,526 when compared to $387,706 recorded in 2011.

General exploration expenses were lower by approximately 56% during 2012 when compared to 2011 reflecting lower administrative and non-property related exploration costs in Peru as the Company sought to preserve capital. In addition share-based compensation recorded in general exploration totalled $72,653 when compared to $365,230 recorded in 2011. As well, in 2011, the Company recorded exploration expenses on the Sajapampa property which were incurred before the decision was made to write off the property during the year ended December 31, 2010.

Consulting and management fees were slightly higher in 2012 when compared to 2011 by approximately 10%. This was primarily due to financial advisory costs totaling $250,220 relating to the strategic partnership arrangement with First Quantum during the third quarter of 2012. This was partially offset by a reduction in the number consultants being engaged by the Company compared to the same period in 2011, as well as lower share-based compensation.

Other general and administrative expenses were lower by 39% during 2012 when compared to 2011 primarily due to office space and staffing reductions at the Company's corporate office. Travel and shareholder information costs were also lower during the year compared to 2011 due to a reduction in investor relation activities and a conscious effort by management to keep costs to a minimum.

In 2011, the Company wrote off mineral exploration expenditures totalling $693,802 relating to the Gatineau project in Quebec.

During 2012, the Company incurred a foreign exchange gain of $18,604 compared to a loss of $19,262 during 2011. Foreign exchange gains and losses result primarily from the translation of U.S. dollar denominated monetary assets and liabilities into Canadian dollars.

As a result of share options granted and vesting as well as the amortization of previous grants, during year ended December 31, 2012 the Company recognized $372,095 (2011 – $887,769) as share-based compensation expense and recorded this amount in share based payment reserve. These amounts were recorded as follows:

	YEAR ENDED DECEMBER 31, 2012		YEAR ENDED DECEMBER 31, 2011	
Consulting and management fees	$	25,916	$	134,833
General exploration	$	72,653	$	365,230
Salaries and benefits	$	273,526	$	387,706
Total	$	372,095	$	887,769

The value of the share options granted during the years ended December 31, 2012 and 2011 was determined using the Black-Scholes option pricing model. During the year ended December 31, 2012 the weighted average grant-date fair value of $0.09 (2011- $0.22) for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 96% (2011 - 97%); risk free interest rate of 1.3% (2011 – 1.6%); expected life of 3.5 years (2011– 3.5 years); and forfeiture rate of nil (2011 – nil). 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 share purchase options.

PROPERTY REVIEW

Accha Zinc Oxide District ("AZOD")

AZOD 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. These nine other locations have the potential to add to the resources at the district. Zincore management views the AZOD as a single operation. To that end, the Company has re-modelled previously completed results to optimize the resources and tested a laboratory and pilot scale metallurgical process that would be used at a central processing facility for the entire district. In October 2011, the Company received the PEA relating to the AZOD, prepared by AMEC, which is the first third party validation of the economics of this project as a mining operation.

During 2010, formal agreements were signed with the main community holding the surface rights to the Accha and Yanque deposit areas, giving the Company access to the respective areas for a five year period. Zincore also signed a similar access agreement with the closest neighbouring community to Accha, giving the Company access to that area for a two year period. The Company postponed prefeasibility work from November 2011 to March 2012 in order to conserve capital. However, as a result of the equity financings completed 2012, the Company resumed this work and is targeted to complete the PFS during the first half of 2013.

Preliminary Economic Assessment ("PEA")

On October 13, 2011, the Company announced it had received a positive PEA for the development of the AZOD project. The PEA, prepared by AMEC, recommends a Pre-Feasibility Study for the project. The PEA considered two scenarios for the production of final products for sale. A Base Case investigated further processing of the concentrate by the Company to produce a special high grade zinc ingot and lead sulphate by-product, while an alternate scenario (the "Fume Case") considered selling the zinc-lead oxide concentrate to a third-party refinery.

HIGHLIGHTS FROM THE PEA INCLUDE:

	NPV PRE-TAX	NPV AFTER-TAX	IRR PRE-TAX	IRR AFTER-TAX	CAPEX	PAYBACK PERIOD	CASH COST / POUND OF ZINC
Base Case	US$ 232M	US$ 140M	20.3%	16.5%	US$ 330M	4.1 years	US$ 0.18
Fume Case	US$ 271M	US$ 176M	30.1%	24.3%	US$ 194M	2.9 years	US$ 0.40

Assumptions

- Zinc price of US$0.95/lb and Lead price of US$0.87/lb
- 8% discount rate
- 20% contingency applied to CAPEX Direct and Indirect Cost estimates
- Tax rate of 30% Fume Case – 80% payability of zinc oxide and 60% payability of lead oxide
- A buyer of the lead-zinc oxide concentrate from the Fume Case, which would give the assumed level of payability, has not been identified
- Cash Cost/Pound of Zinc payable is net of lead credits and includes US$0.05/lb premium for super high grade cathode

The PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability. For full details please see news release dated October 13, 2011 available on the Company's website at www.zincoremetals.com or on SEDAR. The final technical report was filed on SEDAR on November 16, 2011.

Pre-feasibility Study ("PFS")

AMEC has been retained to perform the PFS. Work started in earnest during the second quarter of 2012 and has been progressing steadily. A geotechnical drilling program was completed during 2012 and metallurgical tests were conducted in laboratories in Poland and South Africa. A study has also been commissioned, that will be performed by Thyssen Krupp and FLSmidth, to optimize the Waelz Kiln specifications for the proposed pyro-metallurgical plant.

Work will continue on the PFS in 2013 with a completion date being estimated to be in the second quarter of 2013 with the results being published in a National Instrument 43-101 Technical Report within 45 days thereafter.

Accha Resources

Zincore retained Micon International Limited ("Micon") in 2010 to prepare a resource estimate for Accha. Micon identified a strong correlation between a Coral Reef facies (a very porous type of rock) and the highest grades of zinc mineralization. When Zincore generated geological cross-sections through the best, near surface mineralization to confirm this interpretation, the correlation between Coral Reef and high grade zinc mineralization was clearly visible. Micon used this sectional interpretation to build a three-dimensional wireframe model of a 300 metre long portion of the Accha deposit which confirmed that the higher grade zinc and lead mineralization occurs in a continuous body, enhancing the understanding of the Accha deposit. As a consequence of is study, Micon proposed 5,760 metres of in-fill diamond definition drilling, which Zincore completed in early November 2010. All historical drill holes were re-logged and some surface work was done including mapping and trenching to locate the contacts between the high grade and lower grade sections of the deposit.

Following the completion of the recommended drill program, Micon constructed a new model of the entire Accha deposit and generated a new Mineral Resource Estimate. The results of the resource estimate were published on March 21, 2011 and the accompanying NI 43-101 Technical Report was filed on May 6, 2011. Measured Resources comprise almost 56% of the combined Measured and Indicated contained metal(zinc and lead) total.

At a 2% cutoff, the deposit contains measured resources of 2.492 million tonnes at 8.71% zinc and 0.78% lead (478 million lbs. zinc and 43 million lbs. lead). Combined measured and indicated resources total 5.563 million tonnes at 7.01% zinc and 0.82% lead (860 million lbs. zinc and 100 million lbs. lead). In addition, there are 1.276 million tonnes at 4.60% zinc and 0.65% lead (129 million lbs. zinc and 18 million lbs. lead) in the inferred category. It is important to note that the Micon resource calculations were done using a capping factor while the previous resource calculations (prepared by Pincock Allen & Holt) reported uncapped and therefore the Micon figures are considered more conservative than the previously reported numbers. Micon's report was used by AMEC in preparing the PEA.

In June 2011, Zincore personnel initiated detailed mapping and trenching to the west of the area covered by the 2010 definition drilling program at Accha in an effort to continue following the northern limb zone intersected in last year's work. 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. Zincore is planning to implement a new exploration drilling program to test for continuity of this zone. The timing of this program is yet to be determined.

As part of the PFS a geotechnical drilling program was executed which included drilling 600 metres distributed in six drill holes four of which were located in the future open pit and two in the dump.

Yanque Resource Estimate

A resource estimate for the Yanque deposit was prepared by AMEC as part of the PEA. This estimate comprises 45 holes previously drilled by Zincore (21 of which provided the basis for a mineral resource estimate prepared by Pincock, Allen & Holt ("PAH"), which Zincore announced on March 3, 2008) but does not include the results of a 2011 definition drilling program. The Inferred Mineral Resource estimate for the Yanque deposit consists of 12.5 million tonnes with an average grade of 3.5% Zinc and 3.7% Lead within a Mineral Resource pit shell constructed considering a zinc price of US$ 1.08/lb zinc and US$ 1.00/lb lead. All of the resources are near surface and amenable to open pit mining. Mineral Resources were estimated by Chris Wright P.Geo. of

AMEC, a qualified person as defined under NI 43-101, with an effective date of May 31, 2011. Mineral Resources for Yanque have been estimated according to the Best Practices guidelines adopted by the CIM and recognized in NI 43-101. The results of the 2011 definition drilling program at Yanque will be incorporated in the PFS for the AZOD project expected to be completed in 2013.

The 45 holes (totalling 6,527 metres) used for the resource estimate were drilled in 2008 when Zincore completed a first phase drilling program. The PAH resource estimate, estimated 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. Zincore commenced a Yanque definition drilling program in early 2011. On March 23, 2011, the Company announced 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 equivalent over 13.0 metres and 32.72 g/tonne silver and 9.14% zinc equivalent over 4.0 metres in hole YA-49; 25.46% zinc equivalent over 12.0 metres in hole YA-52; 11.94% zinc equivalent over 11.0 metres and 10.53% zinc equivalents over 7.0 metres in hole YA-54; 11.53% zinc equivalent over 6.0 metres in hole YA-48 and 7.39% zinc equivalent over 54.6 metres in hole YA-54.

On May 19, 2011, the Company announced assay results from 16 additional holes. Highlights from these holes included: 18.89% zinc equivalent over 5.0 metres and 7.92% zinc equivalent and 38.2 g/tonne Ag over 12.0 metres in hole YA-70; 15.62% zinc equivalent over 5.0 metres in hole YA-61; 13.95% zinc equivalent over 6.0 metres in hole YA-67; 10.83% zinc equivalent over 10.0 metres in hole YA-64; 10.22% zinc equivalent over 6.5 metres in hole YA-56 and 6.02% zinc equivalent and 21.4 g/tonne silver over 10.5 metres in hole YA-63.

On June 21, 2011, the Company announced assay results from nine additional holes. Highlights from these holes include: 7.29% zinc equivalent over 56.9 metres, including 15.11% zinc equivalent over 14.0 metres and 14.81% zinc equivalent over 6.0 metres in hole YA-72; 15.06% zinc equivalent over 13.6 metres, including 19.6% zinc equivalent over 8.6 metres in hole YA-78; 13.85% zinc equivalent over 9.0 metres in hole YA-80; and 11.56% zinc equivalent over 6.0 metres in hole YA-77.

On November 23, 2011, the Company released the results from the last thirty-eight holes from the definition drilling program. Highlights of these holes include: 18.53% Zinc equivalent over 9.0 metres in hole YA-126, 13.54% zinc equivalent over 11.0 metres in hole YA-94, 13.04% zinc equivalent over 10.5 metres in hole YA-97, 12.55% zinc equivalent over 19.0 metres in hole YA-96, 12.94% zinc equivalent over 6.0 metres in hole YA-105, 12.63% zinc equivalent over 7.0 metres in hole YA-104 and 11.18% zinc equivalent over 7.0 metres in hole YA-128. A new overall resource calculation for Yanque will be included with the PFS.

The next phase of work at Yanque is to carry out an exploration drilling program in the immediate vicinity of the currently known deposit to test for possible extensions to the north, east, and south. The timing of this program is yet to be determined.

During the fourth quarter of 2012, a geotechnical drilling program was completed which totalled approximately 990 metres.

Metallurgy

Since the end of 2009, the Company has successfully investigated and tested metallurgical treatment procedures that achieve high metal recoveries. Zincore thereby proposed a central processing facility to treat all the mineral resources from the District. Laboratory testing during 2010 of a reductive roasting technology (Waelz Kiln) returned positive results of 97% zinc extraction from Accha and 76% zinc extraction from Yanque. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon Process Consulting ("Metallicon"). The Company then 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. 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 Accha. 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.

The results of the metallurgical test work were released in September 2010 and Metallicon's summary report is available on the Zincore website at www.zincoremetals.com. The test work to date on both the Accha and Yanque deposits confirms that a Waelz kiln can process material from different deposits while delivering high percentage recoveries and grades. These results were used in the PEA.

In July 2012 Zincore entered into two separate contracts with Mintek in South Africa and IMN Gliwice in Poland in order to perform the metallurgical test work for the PFS. Representative samples were sent to both locations and parameter testing was concluded. The results of these tests will be incorporated into the PFS.

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 0.7 g/t gold, 189g/t silver, 8.38% lead and 1.16% zinc.

By the end of 2012, the Company had reached a community access agreement on the Gema area. The first stage of Zincore's Gema exploration program will consist of detailed mapping and trenching to better define the continuity and grades of the mineralized gossans.

In late September 2012, New Sense Geophysics Ltd started work on an airborne spectrometric and magnetometric survey, consisting of 4,800 line-km covering all properties of the AZOD, including Gema. Based on results of this reconnaissance and previous exploration work, a focused project exploration effort will commence in the first half of 2013.

Dolores

In 2008 the Company discovered a copper-molybdenum porphyry target east of Yanque called Dolores. A large target area was identified and 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 stockwork veining and peripheral skarn mineralization are exposed along a recently improved access road to the community of Yanque.

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 and which intersected what is believed to be a younger, unmineralized intrusive within the Dolores system.

Results of the last eight holes drilled were released in early October 2011. Highlights include: 0.32% copper equivalent over 144.4 metres, including 0.49% copper equivalent over 72.4 metres in hole DOL-9; 0.29% copper equivalent over 116 metres in hole DOL-10; and 0.20% copper equivalent over 33.7 metres in hole DOL-7. Copper equivalent totals were calculated at the time using TD Newcrest long term prices of US$2.25/lb copper and US$15/lb molybdenum with metallurgical recoveries and net smelter returns assumed to be 100%.

Holes DOL-2, 7, 9, and 10 all intersected moderate potassic alteration in the mineralized diorite porphyry along with moderate to strong quartz veining over significant widths. In addition, holes DOL-6, 7 and 8 intersected wide sections of garnet skarn with anomalous to sub-economic copper values over 4 to 8 metre intervals.

Company geologists have extended the geological mapping and sampling southward in order to better understand the vectors controlling the emplacement of the copper-molybdenum mineralization. This work has confirmed that the altered and mineralized porphyry extends to the south for at least another 1.5 kilometres and possibly further.

Trenching south of the drilled area in 2011 returned 52.0 metres of 0.76% copper equivalent from continuous channel samples. This trench ("Trench One") is located in an undrilled area 450 metres south of hole DOL-10 and 1 kilometre west of hole DOL-9 respectively, two of the most highly prospective holes drilled on the Dolores property to date. The copper and molybdenum mineralization is hosted within the same altered quartz diorite porphyry cut in the drill holes. Continuous 1.0 metre chip samples across the trend of the mineralized trench have returned: 52 metres of 0.67% copper, 165 ppm molybdenum as well as anomalous gold and silver values.

In May 2012, the Company announced results from sampling in a second trench ("Trench Two") which included 0.61% copper equivalent over 11 metres. Trench Two is located approximately 500 metres and one kilometre from holes DOL – 9 and DOL – 10, respectively. The copper and molybdenum mineralization encountered in Trench Two consists of primary sulphides and is hosted within the same altered quartz diorite porphyry encountered in Trench One and the holes drilled to date. Trench Two was discontinued to the south at 11 metres due to high water levels in a nearby stream and the Company expects to continue work once local conditions permit.

The Company also discovered high grade copper mineralization during surface exploration work on the Dolores project. The latest surface sample results, from three separate areas, reported in May 2012, include evidence of a new skarn area with samples of up to 3.35% and 3.11% copper. All three areas are located between 1.5 to 2.0 kilometres south of holes DOL – 9 and DOL – 10.

The Company has worked to extend the geological mapping and sampling south of the currently drilled area and the results to date confirm that the altered and mineralized porphyry extends to the south from one to two kilometres and possibly further.

On May 8, 2012, the Company entered into a Memorandum of Understanding ("MOU") to form a strategic partnership with First Quantum Minerals Ltd. ("First Quantum"). Under the terms of the MOU a wholly-owned subsidiary of First Quantum made a strategic investment in the Company. Subsequent to the MOU, the Company and First Quantum entered into a formal Earn-In Shareholders Agreement (the "Earn-In Agreement") on August 28, 2012 (the "Formal Agreement Date"). Under the terms of the Earn-In Agreement, First Quantum can earn up to an 80% interest in Polymex (currently a 100% owned subsidiary of Zincore) which indirectly controls the Dolores copper porphyry project. In order to earn its 80% interest First Quantum must fund the advancement of the project through exploration, and if warranted, development and production. Details of the funding/earn-in structure are as follows:

- First and Second Earn-Ins: First Quantum has committed to spend US$3.0 million at Dolores by August 28, 2013 to earn an unvested 30% equity interest in Polymex.
  - The 30% interest will vest if First Quantum provides written notice (the "Vesting Notice") within 60 days of the first anniversary of the Formal Agreement Date that it will commit to spend an additional US$5.0 million (the "Second Earn-In") within 18 months of the date of the Vesting Notice (the "Vesting Notice Date"). After the additional US $5.0 million is spent, First Quantum will have earned a 50.1% interest in Polymex. If First Quantum fails to meet its Second Earn-In commitment it will have to forfeit its 30% interest in Polymex.
  - Zincore will be the operator until First Quantum has fulfilled the requirements of the Second Earn-In with oversight from First Quantum by way of a technical committee.
- Third Earn-In: First Quantum can earn an additional 9.9% in Polymex by producing a NI-43-101 compliant Indicated resource estimate (and associated technical report) of more than one million tonnes of contained copper at a 0.20% cut-off grade within three years following the Vesting Notice Date.
- Fourth Earn-In: First Quantum will have the option to earn an additional 10% of Polymex by providing within four years of the Vesting Notice Date studies in sufficient detail that under industry customs and norms a fully informed construction decision can be made.
- Fifth earn-In: First Quantum can acquire an additional 10% interest in Polymex provided that commercial production at Dolores commences within 96 months of the Formal Agreement Date. First Quantum will be responsible for funding all costs associated with construction of a mine and bringing the Dolores Area to commercial production including Zincore`s share of capital expenditures for construction. Zincore will repay its portion of the construction cost from 70% of its portion of the available cash flow from the project.

At the end of the completion of the fifth earn-in the Company will have a 20% interest in Polymex which it can elect to convert to a 3% Net Smelter Return Royalty.

As of December 31, 2012, First Quantum had contributed US $2,497,781 ($2,443,222 in Canadian dollars) in cash towards their earn in commitment. As well, First Quantum had committed to fund December 2012 expenditures of approximately $692,000. This amount has been collected in 2013 as part of First Quantum's cash contributions in 2013 described below. As at December 31, 2012, the cash contributions and December 2012 commitment by First Quantum totalled $3,135,222.

In 2013, the Company has received and additional US $1,927,033 in cash from First Quantum as further contribution to the Dolores joint venture. As of the date of this MDA, First Quantum has made cash contributions totalling US $4,424,814 to the Dolores Joint Venture, and has incurred exploration expenditures totalling US $84,601 to make their total earn-in contribution to the project to date total US $4,509,415.

The Company paid $250,220 in financial advisory fees related to this agreement and expensed this amount under consulting and management fees.

Work on the Dolores JV started soon after the signing of the MOU. In June 2012, the Company secured a contract with surface rights holders south of the up-to-date explored Dolores area, allowing the extension of mapping, sampling and geophysics into this area.

In August 2012, field work commenced with a structural survey focused on recognizing the most important mineralized features of the project. Three mineralized corridors have been identified.

Systematic sampling was extended (geochemical grid) south and west in the project, as well a tighter sampling was achieved to the north and east. The results show consistent anomalous values of copper and molybdenum in the east and northeast zone of the project as well as extensions of a large anomaly to the south and west. The geological mapping work has revealed a mineralized quartz-monzonite porphyritic body located 500 metres to the south of DOL-10.

In November 2012, the Company released assay results from hole Dol-11 which is the first hole drilled on Dolores under the term of the MOU. Highlights included 0.27% copper equivalent over 35.7 metres and 0.19% copper equivalents over 125.6 metres. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$2.75/lb copper and US$15.00/lb molybdenum and do not include any potential gold or silver credits. Metallurgical recoveries and net smelter returns are assumed to be 100%.

On January 8, 2013, results from holes Dol-12 and Dol-13 were released and highlights from those results include 0.17% copper equivalents over 584.7 metres in hole Dol-12, including 0.26% copper equivalent over 143 metres, 0.35% copper equivalent over 36.4 metres, 0.40% copper equivalent over 10 metres, and 0.31% copper equivalent over 45.8 metres. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$2.75/lb copper and US$15.00/lb molybdenum and do not include any potential gold or silver credits. Metallurgical recoveries and net smelter returns are assumed to be 100%. Results in Hole Dol-13 did not return high copper values, however, the hole was intended to be a deep exploratory probe and did meet its goal of intersecting at depth what had been interpreted as mineralized quartz diorite porphyry dikes and quartz chalcopyrite veinletes at the contact between the barren tonalite porphyry and quartzites. Hole Dol-13 is located 2.7 kilometres north of Dol-12, where copper and molybdenum mineralization was found in the same quartz diorite porphyry but in higher grades. The Company recently announced the results from holes 14 to 17. Please see the news release dated March 21, 2013 for details.

Fugro Ground Geophysics PTY Ltd, was retained to carry out the extension to the south of the ground IP and magnetometric survey, which consisted of 17 mag line-km and 28 IP line-km, with a separation of 250 metres between each line.

As well in the fourth quarter of 2012 New Sense Geophysics Ltd completed work on an airborne spectrometric and magnetometric survey, consisting of 4800 line-km covering all properties of the AZOD concessions. The results of this work highlighted new, high profile copper exploration targets. The various magnetic, radiometric, geochemical and geological anomalies all overlap and point to two first-class copper porphyry exploration targets at Laca-Laca and Larisa, as well as numerous secondary targets. See news release dated January 23, 2013 for further details. The Company plans on continuing to explore these targets in 2013 depending on the results of its financing efforts.

Minasccasa

No work has been done recently on the 100%-owned Minasccasa property, located in the Andahuaylas-Yauri metallogenic belt in southern Peru, 400 km southeast of Lima, due to the difficulty of reaching an agreement with local communities. The Company has not pursued this opportunity lately due to market conditions and lack of financial means. After the recent financing and specifically the First Quantum private placement for exploration, greater focus will now be placed on this project in order to get a social licence and begin exploration work.

In July 2012, the Company started an outreach program to the main community leaders in order to obtain an agreement to develop the exploration in the Minasccasa area. We remain positive that an agreement can be reached and exploration work can start in 2013 on this property.

QUARTERLY FINANCIAL INFORMATION

This selected consolidated financial data should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2012 and 2011.

FISCAL QUARTER ENDED	DEC 31, 2012 (IFRS)	SEPT 30, 2012 (IFRS)	JUNE 30, 2012 (IFRS)	MAR 31, 2012 (IFRS)	DEC 31, 2011 (IFRS)	SEPT 30, 2011 (IFRS)	JUN 30, 2011 (IFRS)	MAR 31, 2011 (IFRS)
Interest and other income	$ 13,019	$ 15,704	$ 9,992	$ 5,858	$ 11,780	$ 13,764	$ 11,023	$ 22,855
Net loss	$ (1,096,875)	$ (950,261)	$ (909,976)	$ (800,774)	$ (1,845,193)	$ (1,749,851)	$ (1,226,236)	$ (1,815,808)
Net loss per share	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Total assets	$ 40,872,579	$ 37,079,823	$ 38,972,688	$ 35,471,610	$ 32,230,214	$ 34,006,278	$ 33,627,372	$ 29,255,146
Total liabilities	$ 5,145,613	$ 793,254	$ 548,405	$ 497,948	$ 1,067,376	$ 644,818	$ 767,194	$ 1,009,996

In general, overall spending levels have varied commensurate with the changes in the Company's exploration, development and corporate activities. 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.

Costs were higher in the fourth quarter of 2012 primarily due to the accrual of deferred compensation which will not be paid until some form of financing is completed in 2013. Other administrative costs during the quarter were kept to a minimum as the Company continues to look at ways to preserve capital.

Costs were generally lower in the third quarter of 2012 than in the second quarter of the same year, however a large financial advisory fee relating to the joint venture agreement with First Quantum resulted in the net loss being comparable between the two periods.

Net loss during the second quarter of 2012 was higher than in the first quarter of that year as a result of higher legal and tax costs, increased Lima Stock Exchange fees, and continued efforts to expose the Company to the investment community.

During the first quarter of 2012, the Company was in the process of downsizing in order to preserve capital and streamline operations.

The net losses during the fourth and third quarters of 2011 were comparable. During the third quarter of 2011, the Company wrote off mineral property expenditures totalling $693,802 relating to the Gatineau project. During the second quarter of 2011, the Company recorded $169,487 in share-based compensation and $159,000 in exploration costs on the Sajapampa project that had been previously impaired in the fourth quarter of 2010.

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. There were also recruiting fees for the hiring of key personnel in Peru and the first quarter of 2011 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.

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 first, second, and fourth quarters of 2012, second quarter of 2011, and fourth quarter of 2010 increased primarily as a result of equity financings. There has also been significant PFS, metallurgical, and drilling activity on the AZOD project, as well as drilling on the Dolores project, which has contributed to the increased asset and current liability levels over the periods. As well, the increase in assets and liabilities in the fourth quarter of 2012 largely reflects the contribution by First Quantum to their earn-in relating to the Dolores project. The amount of the contribution as of December 31, 2012 totalled $3,135,222 and has been recorded as a liability. There was a decrease in total assets during the fourth quarter of 2011, third quarter of 2012, and first quarter of 2011 primarily due to the decrease in the value of the US dollar and the resulting translation of the Company's assets to Canadian dollars which is the Company's presentation currency.

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. Zincore will need to raise additional funds through future issuance of securities. Although Zincore has been successful in raising funds in the past, there can be no assurance Zincore will be able to raise sufficient funds in the future, in which case Zincore may be unable to meet its obligations as they come due in the normal course of business. Zincore has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if Zincore will attain a profitable level of operations. Since inception, Zincore has incurred cumulative losses of $26,751,743 as at December 31, 2012 and a total comprehensive loss for the year ended December 31, 2012 of $4,465,053. These factors may cast significant doubt regarding Zincore's ability to continue as a going concern. Should Zincore be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position.

On March 22, 2013, the Company entered into a loan agreement with First Quantum (the "Lender") to provide the Company with US $2 million for working capital purposes. The term of the agreement is for one year, or as extended by mutual agreement between both parties and the interest rate is LIBOR plus 5%. The repayment options are as follows: Unless Zincore chooses to repay the loan in cash prior to maturity, First Quantum will choose at or before maturity, one of the following three conversion options to receive repayment:

- Credit all or a portion of the loan amount towards the Lender's obligations to incur project expenditures for the Dolores joint venture as per the terms announced by Zincore on July 13, 2012
- Credit all or a portion of the loan amount towards the Lender's obligations to earn into any new copper target selected from the Company's recent copper reconnaissance as announced by Zincore on January 23, 2013

- Convert all or a portion of the loan amount into Zincore shares, subject to the prior approval of Zincore shareholders if the conversion would result in First quantum holding 20% or more of Zincore's outstanding shares. Any conversion of loan amount into Zincore shares would be at the greater of the volume weighted average trading price of the Company's shares on TSX for the five days prior to the date of conversion, or $0.08/share

This loan is subject to, and conditional upon, receipt of TSX approval.

On May 10, 2012, First Quantum purchased, by way of a private placement, 19,113,874 common shares of the Company at a price $0.20 per share for gross proceeds totalling $3,822,775. Zincore will conduct a regional exploration program on its concessions using a minimum of 60% of these private placement funds, including a minimum of US$1.0 million in the 12 months following closing of the private placement. The rest of the funds will be used for general corporate purposes. As at December 31, 2012, approximately $2.3 million had been spent on PFS, Dolores, and the regional exploration program, $427,000 was spent for general corporate purposes, and $192,000 on share issue costs. Of the approximately $2.3 million spent on exploration, $1,326,307 has been spent on the regional exploration program.

On March 16, 2012, the Company raised, by way of a non-brokered private placement, gross proceeds totalling $5,405,000 by issuing 27,025,000 units at $0.20 per unit. Each unit consisted of one common share and one-half common share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share at $0.30 for up to 2 years. These warrants were valued at $1,475,375 by using the Black-Scholes options pricing model assuming no dividends are to be paid, volatility of 89%; risk free interest rate of 1.12%; and an estimated life of 2 years. The Company paid fees totalling $378,514 in connection to this private placement. These proceeds were used to fund the PFS work on the AZOD property, the exploration on the Dolores property, and for general corporate purposes. As at December 31, 2012, the total proceeds of this financing had been spent. Approximately $3.1 million was spent on the PFS and exploration on the AZOD and Dolores properties, and approximately $1.9 million and $400,000 was spent on general corporate activities and share issue costs, respectively.

As at December 31, 2012, Zincore had working capital of $824,499 compared to $1,040,164 at December 31, 2011. Working capital consists of current assets less current liabilities. The working capital decrease was due to technical studies, sampling, and camp maintenance on the Accha Zinc Oxide District, drilling, trenching and sampling on the Dolores project, and general corporate activities both in Canada and Peru. As well during the fourth quarter of 2012, the Company recorded accruals totalling approximately $643,000 relating to deferred compensation which will only be payable upon completion of a successful financing by the Company in 2013. Also the Company has the discretion to pay $248,550 of this deferred compensation in common shares of the Company, instead of cash. These expenditures were partially offset by the equity financings completed in March and May 2012 as well as the US $2,497,781 in cash received from First Quantum as installments for the first year earn in relating to the Dolores joint venture, as well as the $692,000 which was recorded as a receivable for December 2012 expenditures. Expenditures on the Accha Zinc Oxide District and Dolores property during 2012 totalled $5,597,664 and $3,170,024, respectively. Expenditures on the Accha Zinc Oxide District included PFS and geotechnical drilling costs totalling $3,398,449. Drilling commenced on the Dolores project during the third quarter of 2012 and costs related to that activity totalled $1,876,939. Total expenditures on all the Company's projects for the year ended December 31, 2012 totalled $8,841,163. The Company anticipates the rate of expenditures on the Accha Zinc Oxide District will continue to increase as the PFS nears completion. Zincore does not hold any asset-backed commercial paper and has current liabilities as at December 31, 2012 totalling $1,961,749. Accounts payable and accrued liabilities relate principally to trade payables and as at December 31, 2012, these payables relate primarily to the drilling at Dolores and PFS work on the AZOD project.

As of December 31, 2012, First Quantum had contributed US $2,497,781 ($2,443,222 in Canadian dollars) in cash towards their earn in commitment. As well, First Quantum had committed to fund December 2012 expenditures of approximately $692,000 which the Company has recorded as a receivable in the consolidated statements of financial position as at December 21, 2012. The receivable has been collected in 2013 as part of First Quantum's cash contributions in 2013 described below. As at December 31, 2012, the cash contributions and December 2012 commitment by First Quantum totalled $3,135,222 and the Company has recorded this amount as a liability in the consolidated statements of financial position.

In 2013, the Company has received an additional US $1,927,033 from First Quantum as further contribution to the Dolores joint venture. As of the date of this MDA, First Quantum has made cash contributions totalling US $4,424,814 to the Dolores Joint Venture, and has incurred exploration expenditures totalling US $84,601 to make their total earn-in contribution to the project to date total US $4,509,415.

The Company's material contractual obligations are for an office sub-lease entered into in September 2010 and expiring in September 2017.

	TOTAL	2013	2014	2015	2016	2017
Operating lease obligations	$ 815,678	$ 172,146	$ 173,516	$ 176,256	$ 176,256	$ 117,504

In March 2012 the Company signed an agreement to sublease its current office space until September 2017 which will enable it to fully offset the remaining commitment relating to its operating lease obligations. The agreement became effective on April 15, 2012. Pursuant to that agreement the Company collected a three month damage deposit totalling $48,642 and recorded it as a long-term obligation.

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:

	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
Remuneration paid to a company controlled by a director for contracting services	$ 396,214	$ 561,878

These fees resulted from executive services performed by a consulting company controlled by Zincore's CEO. Fees are paid based on a daily rate pursuant to a consulting contract, approved by the Company's Board of Directors. The amount also includes any bonuses which also have been approved by Zincore's Board of Directors.

The remuneration of directors and key management personnel during the years ended December 31, 2012 and 2011 is as follows:

	YEAR ENDED DECEMBER 31, 2012	YEAR ENDED DECEMBER 31, 2011
Short term benefits [1]	$ 1,296,782	$ 1,909,786
Share-based payments [2]	282,924	506,865
Total	$ 1,579,706	$ 2,416,651

1 Short term benefits include the remuneration paid to a company controlled by a director for contracting services note above.

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

FOURTH QUARTER

Zincore granted 3,005,000 stock options during the fourth quarter of 2012 at a strike price of $0.13 to its directors, management, and employees. This resulted in the recording of share–based compensation expense totalling $129,086 in addition to $13,705 recorded as a result of the amortization of prior period grants. Total share–based compensation expense recorded during the fourth quarter was $142,791.

Total operating expenditures was lower in the fourth quarter of 2012 compared to the same period in 2011 due to lower general and administrative costs as the Company significantly reduced office space, staff and travel costs during the year.

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, exploration 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. Advances and other receivables 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

Critical accounting policies and estimates are disclosed in notes 2(o) and 2(p) to the Company's audited consolidated financial statements for the years ended December 31, 2012 and 2011. 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 prepaids, exploration advances, and receivables which are included in the consolidated statements of financial position;
- the estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of comprehensive loss;
- the inputs used in accounting for share-based compensation expense in the consolidated statements of comprehensive loss;
- the provision for income taxes which is included in the consolidated statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the consolidated statement of financial position at December 31, 2012; and
- the inputs used in determining the various commitments and contingencies accrued in the consolidated statements of financial position.

CHANGES IN ACCOUNTING POLICIES

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2012 reporting period. The Company is currently assessing the potential impact of the adoption of the following standards:

IFRS 9, Financial Instruments: effective for accounting periods commencing on or after January 1, 2015; and

IFRS 10, Consolidated Financial Statements: effective for accounting periods commencing on or after January 1, 2013;

IFRS 11, Joint Arrangements: effective for accounting periods commencing on or after January 1, 2013;

IFRS 12, Disclosure of Interests in Other Entities: effective for accounting periods commencing on or after January 1, 2013;

IFRS 13, Fair Value Measurement: effective for accounting periods commencing on or after January 1, 2013;

IAS 27 (2011), Consolidated and Separate Financial Statements: effective for accounting periods commencing on or after January 1, 2013;

IAS 28 (2011), Investments in Associates and Joint Ventures: effective for accounting periods commencing on or after January 1, 2013;

Amendments to IAS 1, Presentation of Items of Other Comprehensive Income: effective for accounting periods commencing on or after July 1, 2012.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 210,443,949 common shares issued and outstanding.

As at the date of this MD&A, Zincore has 11,360,000 stock options outstanding with a weighted average exercise price of $0.28 per option. Of this total, 9,356,664 stock options are exercisable with a weighted average exercise price of $0.31. As well the Company has 24,962,500 warrants outstanding the details of which are as follows:

AMOUNT	EXERCISE PRICE	EXPIRY DATE
13,512,500	$ 0.30	MARCH 16, 2014
11,450,000	$ 0.40	JUNE 15, 2014
24,962,500		

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

RISKS AND UNCERTAINTIES

Limited liquidity, Additional financing and Uncertainty of such financing

Current financial resources are able to fund the Company's operations. The Company will require additional financing, however, to conduct exploration programs on its properties and fund corporate costs that are beyond the current financial resources. There is no assurance that the Company will be successful in obtaining the required financing either through issuance of common shares, divestment of properties or partnerships. A lack of financing would cause the Company to further postpone its exploration plans and reduce its technical staff, and may necessitate reducing mineral concessions and/or will cause going concern issues for the Company.

Dilution

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

Concentration of Ownership

First Quantum owns approximately 19.9% of Zincore's common shares. Any action by First Quantum to acquire, divest, or alter its stake in common shares of Zincore may affect the share price of Zincore and/or its ability to raise financing.

Share price subject to volatility

The market price of the securities of a publicly traded issuer, in particular a junior resource issuer, is affected by many variables not directly related to exploration success, including the market for junior resource securities, economic performance, market liquidity, commodity prices, availability of alternative investments and the breadth of the public market for the securities.

Metal prices subject to volatility

Zincore's mineral resources are zinc and lead. Zinc and lead are traded on exchanges and their prices have been volatile and are affected by, among other things, forecast global economic conditions, and current supply and demand. While Zincore does not currently produce or sell any metals, the value of its mineral resources and its projects are impacted by current and future expected prices of zinc and lead.

No History of Earnings

To date, the Company has had no revenue from the exploration activities on its properties. The Company has not yet determined that development activity is warranted on any of its properties. Even if the Company does undertake development activity on any of its properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Mineral Exploration and Development Activities Are Inherently Risky

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, the Company has not yet determined that development activity is warranted on any of its properties. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. These factors can all affect the timing, cost and success of exploration programs and any future development. Although the Company carries liability insurance with respect to its mineral exploration operations, the Company may become subject to liability for damage to life and property, environmental damage, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. There are also physical risks to the exploration personnel working in the rugged terrain of Peru, often in difficult climate conditions.

Previous operations may have caused environmental damage at certain of the Company's properties. It may be difficult or impossible to assess the extent to which such damage was caused by the Company or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective, and the Company may be responsible for the costs of reclamation.

If any of the Company's properties move to a development stage, the Company would be subject to additional risks respecting any development and production activities.

Uncertainty of Acquiring Required Permits or Community Access Agreements

The Company must obtain additional permits to complete its planned exploration and development program. Prior to applying for permits, access agreements with local communities are required in certain jurisdictions including Canada and Peru. There is no assurance that the Company will be able to obtain the permits or access agreements or obtain them in a timely manner.

Uncertainty of Quantification / Estimation of Mineral Resources & Mineral Reserves

The figures for mineral resources for the Accha and Yanque deposits and for mineral reserves for the Accha deposit are estimates and no assurance can be given that the stated tonnages and grades will be achieved.

Dependence on Management

The Company will be dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Directors May Have Potential Conflicts of Interest

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest, to the extent that such other companies may participate in ventures in which the Company is also participating. The laws of British Columbia require the directors and officers to act honestly, in good faith, and in the best interests of the Company. In addition, each director must declare his or her interest and abstain from voting on any contract or transaction in which the director may have a conflict of interest.

Political Investment Risk; Political Instability in Developing Countries

The Company's mineral interests are in countries that may be affected by varying degrees of political instability and the policies of other nations in respect of these countries. These risks and uncertainties include military repression, political and labour unrest, fluctuations in currency exchange rates, rates of inflation, terrorism, hostage taking and expropriation.

The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company cannot predict a government's position on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations in Peru. Any changes in regulations or shifts in political conditions are beyond the control of the Company. The Company's operations in Peru entail governmental, economic, social, medical and other risk factors common to all developing countries. See "Economic Uncertainty in Developing Countries". The status of Peru as a developing country may make it more difficult for the Company to obtain any required financing because of the associated investment risks.

Economic Uncertainty in Developing Countries

The Company's operations in Peru may be adversely affected by economic uncertainty characteristic of developing countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and safety factors. Any such changes could have a material adverse effect on the Company's results of operations and financial condition.

Exploration and development in Peru is subject to risk. Peru has been favourable to the mining industry and has been relatively stable over the past 10 years, but there is a risk that this could change. In addition, there are risks that labour unrest or wage agreements may impact operations. The Company believes that the current conditions in Peru are relatively stable and conducive to conducting business, however, Zincore's current and future mineral exploration activities could be impacted by political and/or economic developments.

Risks Relating to Statutory and Regulatory Compliance

The current and future operations of the Company, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Company will be successful in obtaining all required permits. Further, there can be no assurance that all permits which the Company may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be available on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Company is not currently covered by any form of environmental liability insurance. See "Insurance Risk", below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in exploration.

Current Mineral Exploration Conditions

The current infrastructure in Peru and Canada is adequate to support the Company's current activities at its properties, however, if advanced exploration and/or development are undertaken, infrastructure will require augmentation.

Title Risks

The acquisition of title to resource properties or interests therein is a detailed process. Title to the area of resource concessions may be disputed. Based on a review of records maintained by the relevant government agencies in Peru, Zincore's properties are registered in the name of the Company, are under application to the applicable government authority or are held on behalf of the Company pursuant to a legal agreement. There is no guarantee of title to any of the Company's properties. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Title may be based upon interpretation of a country's laws, which laws may be ambiguous, inconsistently applied and subject to reinterpretation or change. The Company has not surveyed the boundaries of any of its mineral properties and consequently the boundaries of the properties may be disputed.

Foreign Currency Fluctuations

The Company's exploration activities in Peru will render it subject to foreign currency fluctuations. While the Company expects to minimize the risks associated with foreign currency fluctuations by holding its cash and short-term investments in U.S. and Canadian dollars rather than the local currencies, to the extent that its operations in those countries are carried out using the local currency, any appreciation of such local currency relative to the U.S. and Canadian dollar could have an adverse impact on the financial position of the Company. Since the Company's financial results will be reported in Canadian dollars, its financial position and results will be impacted by exchange rate fluctuations between the Canadian and U.S. dollars.

Repatriation of Earnings

Peru has no limitation on profit or capital remittances to foreign shareholders provided that all applicable income and, in certain cases, withholding taxes have been paid. However, there can be no assurance that additional restrictions on the repatriation of earnings will not be imposed in the future.

Insurance Risk

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company maintains insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. The Company carries liability insurance with respect to its mineral exploration operations, but does not currently intend to carry any form of political risk insurance or any form of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Competition

Significant and increasing competition exists for mineral deposits in each of the jurisdictions in which the Company conducts operations. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified employees.

Legal Proceedings

Substantially all of the Company's assets are located outside of Canada, which may create difficulties in enforcing in Canadian courts any judgments obtained by the Company in foreign jurisdictions. Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company on any judgments obtained in Canadian courts and predicated on the civil liability provisions of securities legislation. The Company may be subject to legal proceedings and judgments in foreign jurisdictions.

Dividends Unlikely

The Company has not paid any dividends since the date of its incorporation, and it is not anticipated that dividends will be declared in the short or medium term.

DISCLOSURE CONTROLS AND PROCEDURES

As required by National 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 has a contract with a third party 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, 2012. 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 also evaluated the effectiveness of the Company's internal controls over financial reporting and concluded that as at December 31, 2012 such controls were effective.

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.