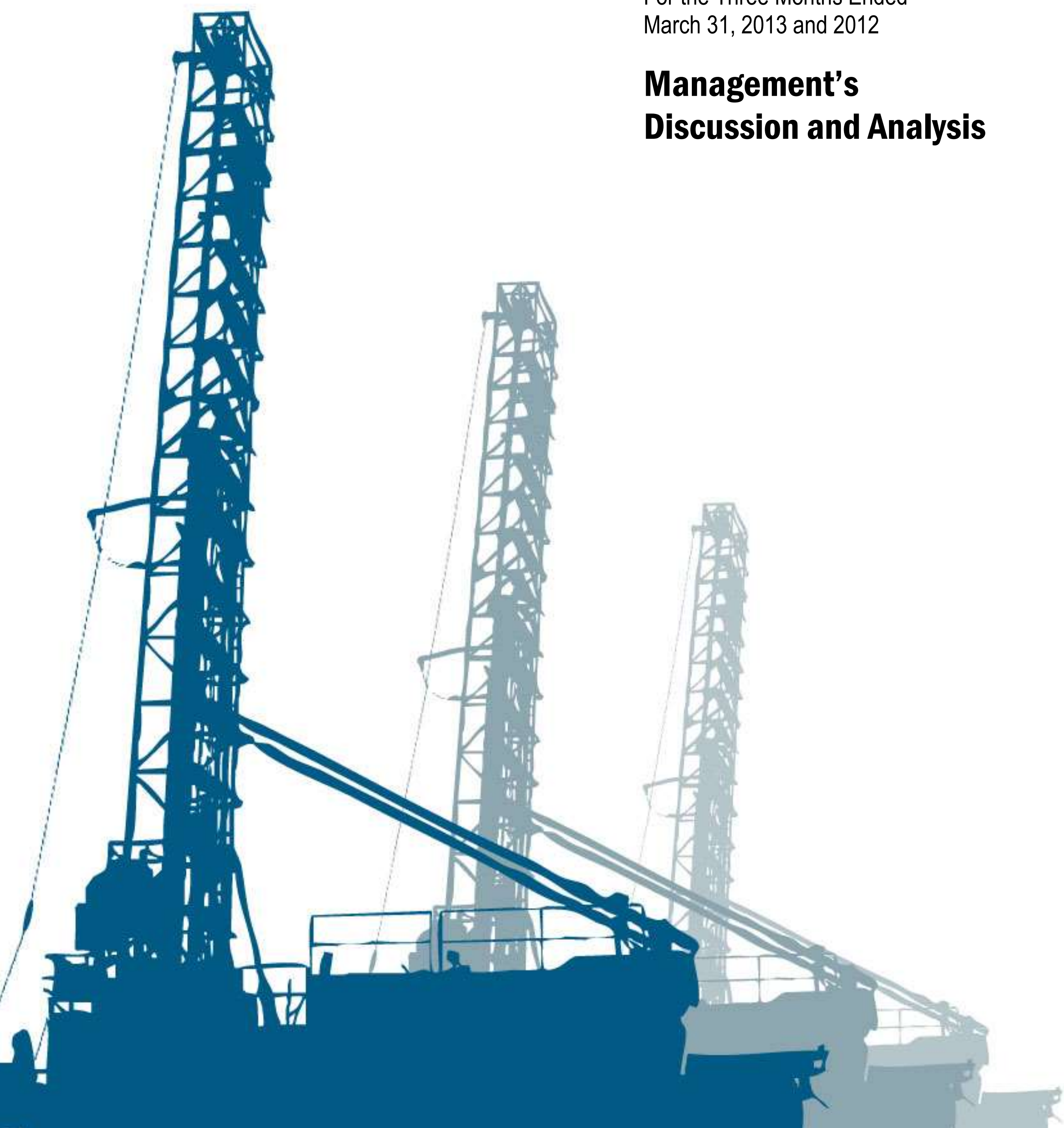
ZINCORE METALS INC.

For the Three Months Ended
March 31, 2013 and 2012

Management's Discussion and Analysis



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For the Three Months Ended March 31, 2013 and 2012
All figures in Canadian dollars unless otherwise noted

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries ("Zincore" or the "Company"), for the three month period ended March 31, 2013 and 2012 is prepared as of May 2, 2013 and should be read in conjunction with the Company's unaudited interim financial statements for the three month period ended March 31, 2013 and 2012 and the 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 and(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

On April 17, 2013, the Company completed a loan agreement with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum provided the Company with US $2 million ("the Loan") for working capital purposes. The Loan, which Zincore may choose to repay in cash at any time, is convertible at maturity into one of three options as selected by First Quantum:

(i) a credit against First Quantum's obligations to incur exploration expenditures at the Dolores joint venture property, (ii) a credit against First Quantum's earn-in obligations at any new copper project with Zincore, or (iii) common shares of Zincore stock, subject to shareholder approval. See "Financial Condition, Liquidity and Capital Resources" section for more details. This injection of cash will allow the Company to continue with its PFS and other planned exploration programs.

The Company has funds to pursue its current work plans however given the difficult equity market conditions, the Company continues to explore options to raise cash and reduce its overhead costs.

Work on the PFS relating to the AZOD project continues and is expected to be completed during the third quarter of 2013.

In February 2013, the Company announced that results from its recent reconnaissance program indicated five new primary and seven new secondary zinc-lead targets that may increase the potential for the Company's AZOD project. In addition to these, the Company had previously identified nine other prospective zinc-lead targets. Once the PFS is complete the Company will work to expand the potential resources at the AZOD project with a focus on increasing the projected mine life and scope of the project.

The first phase of drilling on the Dolores Project was completed in early 2013 with results discussed below under "Overall Performance and Current Economic Conditions". The drill and trench results to date, combined with extensive aerial and ground geophysical work has provided an important body of information that requires re-interpretation to plan the next phase of work on this project. This re-interpretation in currently in progress and the next phase of work is currently being planned by the project's technical committee. The Company plans to focus its exploration efforts on finding a higher grade mineralized body within the large Dolores system. The Company's partner on the project, First Quantum, has completed its first earn-in expenditure commitment and is currently in the second earn-in expenditure commitment phase.

In January 2013, the Company announced that its extensive geophysical, geochemical, and geological work has highlighted new, high profile copper exploration targets within the Company's AZOD property. The Company anticipates that continued work on these highly prospective targets later in 2013 could bring new value to its shareholders.

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

2013 started much the way 2012 closed with investors avoiding exposure to risk from global economic problems and seeking liquidity. This led to outperformance for large, industrial companies that could be easily bought and sold, such as those that make up the S&P500, which increased 9.9% in the first quarter of 2013. In contrast, the resource laden S&P TSX Composite declined 2.5% with base metals stocks performing significantly worse. Predictably, the S&P TSX Venture followed suit declining by 10%. With base metals junior resource stocks squeezed by virtually no liquidity, Zincore shares opened the quarter at $0.10 before closing March at $0.075 for a loss of 25%. The stock traded between a high of $0.13 and a low of $0.0.75 during the first quarter of 2013.

Commodities remained volatile with zinc opening the quarter at US$0.93/lb., trading as high as US$0.98/lb., before closing March near the quarterly low point of approximately US$0.82.

On April 17, 2013, the Company completed a loan agreement with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum provided the Company with US $2 million ("the Loan") 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%. 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 the issuing of a number of shares greater than 10% of the Company's issued and outstanding common shares at the time of conversion. 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 US $0.08/share.

The Company's work on its PFS relating to the AZOD project continued during the first quarter of 2013. The PFS is being performed by AMEC who had completed the Preliminary Economic Assessment ("PEA") released in 2011. The estimated completion date is during the third quarter of this year. In addition, results of the Company's reconnaissance work indicated five new primary and seven new secondary zinc-lead targets that may increase the potential for the Company's AZOD project.

On March 21, 2013, the Company reported assay results from Holes 14 to 17 on the Dolores project. Highlights from the results include: 72.35 metres of 0.26% copper equivalent, including 21.3 metres of 0.44% copper equivalent in Hole DOL-17 and 298.6 metres of 0.16% copper equivalent, including 20.0 metres of 0.40% copper equivalent in Hole DOL-15. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$3.00/lb copper and US$12.00/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.

In January 2013, the Company announced that its extensive geophysical, geochemical, and geological work has highlighted new, high profile copper exploration targets within the Company's AZOD property. The Company anticipates that continued work on these highly prospective targets later in 2013 could bring new value to its shareholders.

As at March 31, 2013, the Company had negative working capital, comprised of current assets less current liabilities, totaling $816,609. As a result of the US $2 million loan completed in April 2013, the Company now has positive working capital as of the date of this MD&A. As well, 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, after seeking shareholder approval, to pay $248,550 of this deferred compensation in common shares of the Company, rather than cash.

During the three month period ended March 31, 2013, the Company received US $1,927,033 from First Quantum as further contribution to the Dolores joint venture. Of that amount, approximately $692,000 related 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.

RESULTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31, 2013	THREE MONTHS ENDED MARCH 31, 2012
Salaries and benefits	$ 203,029	$ 246,525
General exploration	$ 185,364	$ 238,503
Other general and administrative expenses	$ 193,974	$ 204,066
Consulting and management fees	$ 122,066	$ 113,053
Depreciation	$ 1,757	$ 1,949
Foreign exchange (gain) loss	$ (29,951)	$ 2,536

Salaries and benefits were lower by approximately 18% during the first quarter of 2013 when compared to the same period in 2012 due to out sourcing of legal services which resulted in fewer staff at the Company's head office. The Company continues to investigate options for further cost reductions. Also, share-based compensation recorded in salaries and benefits during the period in 2013 decreased when compared to the same period in 2012.

General exploration expenses were lower by approximately 22% during the first quarter of 2013 when compared to the same period in 2012 reflecting lower administrative and non-property related exploration costs in Peru as the Company sought to preserve cash. In addition share-based compensation recorded in general exploration for the three month period in 2013 was $17,138 less than the same period in 2012.

Consulting and management fees were 8% higher during the first quarter of 2013 when compared to the same period in 2012. This was primarily due a drop in daily billings from consultants to half-time during the three month period in 2012 as the Company sought to preserve cash while trying to raise funds. During the three month period in 2013, daily billings returned to normal levels, however the Company has negotiated lower rates, which has partially offset the increased cost when compared to the same period in 2012.

Other general and administrative expenses were slightly lower by 5% during 2013 when compared to 2012 primarily due to office space and staffing reductions at the Company's corporate office. These reductions were partially offset by higher legal expenses as a result of outsourcing the Company's legal work instead of having inside counsel. As well, travel costs have increased as a result of the Company's fund raising efforts.

During the three month period ended March 31, 2013, the Company incurred a foreign exchange gain of $29,951 compared to a loss of $2,536 during the same period of 2012. 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 vesting and the amortization of previous grants, during the three months ended March 31, 2013 the Company recognized $64,544 (March 31, 2012 – $120,624) as share-based compensation expense and recorded this amount in share based payment reserve. These amounts were recorded as follows:

	THREE MONTHS ENDED MARCH 31, 2013	THREE MONTHS ENDED MARCH 31, 2012
Consulting and management fees	$ 3,283	$ 9,675
General exploration	9,960	27,098
Salaries and benefits	51,301	83,851
Total	$ 64,544	$ 120,624

There were no share options granted during the first quarter of 2013 and 2012. The amounts expensed during the periods represent the amortization of share-based compensation for grants issued in prior years. The value of the share options granted is determined using the Black-Scholes option pricing model. 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 Project ("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 21 other locations in the district, including five new primary and seven new secondary targets identified in 2013. These 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 cash. However, as a result of the equity financings completed in 2012, the Company resumed this work and is targeted to complete the PFS during the third quarter 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 during the third 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.

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

In February 2013 the Company announced that results from its recent reconnaissance program indicated five new primary and seven new secondary zinc-lead targets that may increase the potential for the Company's AZOD project. The new exploration targets have been subdivided according to their importance. Five primary targets; Huayta, Hualla, Cali, Urpi and Osco, exhibit anomolies of zinc and lead in sediments and are hosted in good geological settings for this type of mineralization. Argillic and gossan alteration, very similar to the indications for the Company's Accha and Yanque deposits, has also been observed in ASTER images. In addition, seven secondary targets which are hosted in good geological settings for mineralization and exhibiting gossan alteration as indicated by ASTER image analysis, have also been identified. Sediment samples have not yet been collected for the seven secondary targets.

The geophysical surveys carried out by New Sense Geophysics Ltd. ("NSG"), covered all concessions on Zincore's entire AZOD property package of more than 50,000 hectares and consisted of aerial geophysical studies comprising approximately 4,800 line kilometers at 200 metre spacing. In addition the full scope of reconnaissance activities included an airborne magnetometric and spectrometric survey of the 60,000 hectares of the AZOD block of claims plus Dolores area, ASTER multispectral satellite image interpretation, DEM structural interpretation, district geological reconnaissance, partial district stream sediment geochemical survey and partial district soil geochemistry survey. Fathom Geophysics, ("Fathom") helped analyze and interpret the airborne geophysical and ground data, as well as the ASTER images and structural model.

In addition to these 12 new targets, located within the Accha Zinc Oxide District, there are as many as nine other zinc oxide prospects, including Corrales, Gema, Puyani, Yanque East, and Titiminas West. Once the PFS is complete the Company will work to expand the potential resources at the AZOD project with a focus on increasing the projected mine life and scope of the project.

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.

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 at March 31, 2013, First Quantum had contributed US $4,424,814 ($4,366,918 in Canadian dollars) in cash towards their earn-in commitment. As well, First Quantum 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.

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.

On March 21, 2013, the Company announced results from holes Dol-14 to Dol-17 which were the final holes of the first drill program under the joint venture with First Quantum. Highlights from the results include: 72.35 metres of 0.26% copper equivalent, including 21.3 metres of 0.44% copper equivalent in Hole DOL-17 and 298.6 metres of 0.16% copper equivalent, including 20.0 metres of 0.40% copper equivalent in Hole DOL-15. Copper equivalent totals were calculated at the time using TD Securities long term prices of US$3.00/lb copper and US$12.00/lb molybdenum and do not include any potential gold or silver credits. Metallurgical recoveries and net smelter returns are assumed to be 100%.

These results to date confirm the existence of a very large porphyry system at Dolores encompassing at least 3.5 kilometres north to south and 1.5 kilometres east to west. Within this area six different phases of porphyry intrusion have been intersected; one is pre-mineralization, three are mineralized and two are post-mineralization. The multiphase nature of porphyry intrusion and the widespread occurrence of copper-molybdenum mineralization within this large area attest to the mineral endowment of the system.

The drill and trench results gathered to date, combined with extensive aerial and ground geophysical work, provide the Company with an important body of information that is currently being re-interpreted by the project's technical committee to plan the next phase of work on this project. It is the Company's intention to focus its future exploration efforts in finding a higher grade mineralized body within this large system.

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.

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 unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 and the audited consolidated financial statements for the years ended December 31, 2012 and 2011.

FISCAL QUARTER ENDED	MARCH 31, 2013 (IFRS)	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)
Interest and other income	$ 2,301	$ 13,019	$ 15,704	$ 9,992	$ 5,858	$ 11,780	$ 13,764	$ 11,023
Net loss	$ (673,938)	$ (1,096,875)	$ (950,261)	$ (909,976)	$ (800,774)	$ (1,845,193)	$ (1,749,851)	$ (1,226,236)
Net loss per share	$ (0.00)	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Total assets	$ 43,037,427	$ 40,872,579	$ 37,079,823	$ 38,972,688	$ 35,471,610	$ 32,230,214	$ 34,006,278	$ 33,627,372
Total liabilities	$ 7,113,280	$ 5,145,613	$ 793,254	$ 548,405	$ 497,948	$ 1,067,376	$ 644,818	$ 767,194

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.

Net loss was lower during the first quarter of 2013 compared to the fourth quarter of 2012 primarily due to the accrual of deferred compensation in 2012 which will only be payable upon completion of a successful financing by the Company in 2013. Other administrative costs during the quarter were kept to a minimum as the Company continues to look at ways to preserve cash. This deferred compensation accrual is the primary reason, as well, for the increase in net loss during fourth quarter of 2012 compared to the other quarters of the same year.

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 cash 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.

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 increased significantly during the first quarter of 2013 primarily as a result of the increase in value of the US dollar and the resulting translation of the Company's assets to Canadian dollars which is the Company's presentation currency.

Total assets in the first, second, and fourth quarters of 2012 and the second quarter of 2011 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 and first quarter of 2013 largely reflects the contribution by First Quantum to their earn-in relating to the Dolores project. The amount of the contribution as of March 31, 2013 totalled $4,366,918 and has been recorded as a liability. There was a decrease in total assets during the fourth quarter of 2011 and third quarter of 2012 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 $27,425,681 as at March 31, 2013 and a total comprehensive gain for the three month period ended March 31, 2013 of $132,637. 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 April 17, 2013, the Company completed a loan agreement with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum provided the Company with US $2 million ("the Loan") 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%. 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 the issuing of a number of shares greater than 10% of the Company's issued and outstanding common shares at the time of conversion. 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 US $0.08/share.

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. As at March 31, 2013, the total proceeds of this financing had been spent. Approximately $2.6 million had been spent on PFS, Dolores, and the regional exploration program, $1.0 million was spent for general corporate purposes, and $192,000 on share issue costs. Of the approximately $2.3 million spent on exploration, $1,584,449 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 March 31, 2013, Zincore had negative working capital of $816,609 compared to positive working capital of $824,499 at December 31, 2012. Working capital consists of current assets less current liabilities. As a result of the loan agreement with First Quantum completed in April 2013, as of the date of this MD&A, the Company has positive working capital. 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. These accruals are still recorded as liabilities as at March 31, 2013. The Company has not yet decided on the method of payment for these obligations but has the discretion, after seeking shareholder approval, to pay $248,550 of this deferred compensation in common shares of the Company, instead of cash. These expenditures were partially offset by the approximately $1.9 million in cash received from First Quantum as installments for its earn - in relating to the Dolores joint venture.

Expenditures on the Accha Zinc Oxide District and Dolores property during the first quarter of 2013 totalled $1,436,388 and $805,480, respectively. Expenditures on the Accha Zinc Oxide District included PFS costs totalling $1,136,247. Drilling costs on the Dolores project during the first quarter of 2013 totalled $505,957 as the first phase drill program started in 2012 was completed. Total expenditures on all the Company's projects for the three month period ended March 31, 2013 totalled $2,261,921. 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 March 31, 2013 totalling $2,697,720. Accounts payable and accrued liabilities relate principally to trade payables and as at March 31, 2013, these payables relate primarily to the drilling at Dolores and PFS work on the AZOD project.

As of March 31, 2013, First Quantum had contributed US $4,424,814 ($4,366,918 in Canadian dollars) in cash towards their earn-in commitment relating to the Dolores joint venture and the Company has recorded this amount as a liability in the consolidated statements of financial position. As well, First Quantum 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	$	772,642	$	129,110	$	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.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

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

	THREE MONTHS ENDED MARCH 31, 2013	THREE MONTHS ENDED MARCH 31, 2012
Remuneration paid to a company controlled by a director for contracting services	$ 73,677	$ 57,345

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.

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(n) and 2(o) 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 March 31, 2013; and
- the inputs used in determining the various commitments and contingencies accrued in the consolidated statements of financial position.

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in preparation of the unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2012, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from January 1, 2013. For the purpose of preparing and presenting the financial information for the relevant period, the Company has adopted all the following new standards relevant to the current period:

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

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.

These amendments did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

Certain new accounting standards and interpretations have been published that are not effective for the March 31, 2013 reporting period. The Company is currently assessing the potential impact of the adoption of the following standard:

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

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 12,360,000 stock options outstanding with a weighted average exercise price of $0.26 per option. Of this total, 10,625,000 stock options are exercisable with a weighted average exercise price of $0.28. 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.

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

An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of December 31, 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 believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to the inherent limitations in all controls systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. The Company has had a policy of having its external auditors review its quarterly financial statements in the past. However, beginning with this quarter, the Company will no longer have its external auditors review its quarterly financial statements in order to preserve capital during this current difficult market environment.

There has been no change in the Company's internal control over financial reporting during the three month period ended March 31, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.