ZINCORE METALS INC.

A Zinc Exploration Company

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For the Three and Six Months Ended
June 30, 2010 and 2009

Management's Discussion and Analysis

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

For the Three and Six Months Ended June 30, 2010 and 2009
All figures in Canadian dollars unless otherwise noted

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries ("Zincore" or the "Company"), for the three and six month periods ended June 30, 2010 and 2009 should be read in conjunction with the Company's unaudited interim financial statements for the three and six month periods ended June 30, 2010 and 2009 and the audited financial statements for the years ended December 31, 2009 and 2008 all of which are available on the Company's website at www.zincoremetals.com or on the SEDAR website at www.sedar.com. Additional information relating to the Company, including its Annual Information Form ("AIF") dated March 12, 2010, is also available on SEDAR at www.sedar.com.

This MD&A has taken into account information available up to and including August 5, 2010.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles and presented in Canadian dollars unless otherwise noted.

The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

FORWARD-LOOKING STATEMENTS

Statements in this MD&A that are forward-looking are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in Zincore's AIF. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. Zincore does not assume the obligation to update any forward-looking statements other than as required pursuant to applicable securities laws.

OUTLOOK

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

At the Accha Zinc Oxide District, the Company is carrying out testing of a pyrometallurgical process, and re-modelling and optimizing the resources. Laboratory testing of the Waelz kiln process, a reductive roasting technology returned positive results of 97% and 76% of zinc extraction from Accha and Yanque ores respectively. Given such favourable results, the Company has decided to go ahead with pilot plant testing of larger samples from both deposits. A ten tonne representative sample from the Accha deposit has now been tested, under the supervision of Metallicon Process Consulting ("Metallicon") and Hatch, at the Cementos Pacasmayo SA plant located in Pacasmayo, Peru. Results are expected in the third quarter. A ten tonne representative sample from the Yanque deposit has also been collected as planned and sent to the Cementos Pacasmayo SA plant for testing under the same control conditions as for the Accha sample.

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

As a result of the review, the Company recently initiated a 5,760 metre in-fill diamond drilling program on Sections 186500E to 186800E to allow the classification of a significant portion of the deposit as Indicated. The Company is also currently engaged in a similar modelling on the other 400 metres of the deposit in Sections 186100E to 186400E. Company geologists have completed re-logging of all historical drill core from the deposit and the revised information was submitted to Micon International ("Micon") for inclusion into the up-dated geological model.

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

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

At Yanque, negotiations with the community regarding an access agreement were successfully completed in July. The new agreement is similar to the recently signed agreement with the community holding the surface rights to the Accha deposit and also gives the company access to the area for a five year period. Similar geological modeling to the one described in the Accha section above, is currently under way for the Yanque Project.

Geophysical surveys at the Sajapampa project, recently optioned from Pembrook Mining Corp. ("Pembrook"), a Company related by directors in common, have been completed. The final report was received from the contractor recently and a drill program will now be designed in order to test the better targets. Drilling should be carried out later this year prior to the beginning of the rainy season. As part of the process to obtain the drill permit from the government, discussions have already been held with the local communities to explain the plans for the up-coming drill campaign and local residents have expressed support for continued work by the Company. The Company already has access agreements signed with both communities holding surface rights to the project area.

In Canada, at the Gatineau project, the exploration program started in late July with some ground geophysical surveys and additional geological mapping of priority AEM targets. Drilling is expected to follow shortly after this first phase of work is completed.

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

DESCRIPTION OF BUSINESS

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

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

In January 2010, the Company announced the appointment of Mr. Adam Ho as its Manager, Investor Relations, and in May 2010 the Company also announced the election of Mr. Ignacio Rosado to its Board of Directors. Mr. Rosado was the Chief Financial Officer of Hochschild and its predecessor group of companies from 2005 to May 2010.

In late May 2010 the Company announced that its shares had been approved for trading on the Bolsa de Valores de Lima ("BVL"). Kallpa Securities Sociedad Agente de Bolsa acted as Zincore's sponsoring broker in securing the necessary approvals to achieve the listing. Zincore shares became available for trading on the Lima Stock Exchange under the symbol ZNC.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

Along with the price of other base metals, the price of zinc dropped during 2010 and just recently rebounded. Zinc related equities have for the most part followed suit led by junior exploration companies, which have been especially hard hit. Zincore's stock price, though fairly volatile so far during 2010, has stabilized and is at or near the beginning of the year level.

Metal price performance remains linked to expectations regarding near term global economic conditions. These expectations are driving the demand outlook for base metals including zinc. Asset and corporate valuations of exploration and development stage mineral companies have mostly declined this year along with the base metal prices. There remains continued uncertainty regarding the global economic climate.

On March 4, 2010, Hochschild Mining plc ("Hochschild") sold its investment in Zincore to Inversiones Pacasmayo SA ("Inversiones Pacasmayo"). Inversiones Pacasmayo now holds 36.9% of the outstanding common shares of Zincore. Inversiones Pacasmayo's subsidiary uses a Waelz rotary kiln at its facility in northern Peru to process zinc and lead oxide ore from the Bongara deposit. Zincore is testing this same pyrometallurgical process with ores from the Accha Zinc Oxide District discussed in the "Project Review" section below.

During the course of 2010 the Company has raised gross proceeds totalling $3,508,001 in a number of transactions by issuing 2,000,004 flow through common shares and 8,308,572 units (each unit comprising one common share and one half share purchase warrant). Proceeds from these offerings will be used by Zincore to commence in-fill drilling at the Accha Zinc Oxide District in southern Peru and for ongoing exploration and development programs at its Cariboo zinc property near Quesnel, B.C. and Gatineau zinc property in Quebec.

During 2010 the Company has entered into three separate property agreements. In January 2010, the Company announced that it had entered into an option agreement with Pembrook to earn 100% interests in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively. In April 2010 the Company optioned a zinc-lead property located in the province of Quebec (the "Gatineau Property") from Midland Exploration Inc. ("Midland"), and in June 2010 the Company entered into an option agreement with Hochschild to earn a 100% interest in the Gema properties in southern Peru. The Gema properties contain several Zn – Pb oxide manto outcrops within approximately 4,000 hectares adjacent to the Accha Zinc Oxide District. See further details in the Financial Condition, Liquidity, and Capital Resources section below.

Significant progress was made on the Company's optimization program on the Accha Zinc Oxide District. This optimization program includes re-modelling previously completed results in the Accha Zinc Oxide District to optimize the geological resource model and mine plan, and testing alternative metallurgical processes.

As at June 30, 2010, the Company had working capital totaling $1,062,369.

RESULTS OF OPERATIONS

	THREE MONTHS ENDED JUNE 30, 2010	THREE MONTHS ENDED JUNE 30, 2009
Salaries and benefits	$ 318,223	$ 31,592
Other general and administrative expenses	$ 301,021	$ 76,070
General exploration	$ 231,522	$ 189,079
Consulting and management fees	$ 140,964	$ 82,832
Foreign exchange (gain)loss	$ (4,022)	$ 29,210
Depreciation	$ 1,423	$ 1,567
Loss on sale of property, plant and equipment	$ -	$ (338)

Total expenses were higher during the second quarter of 2010 relative to the same period in 2009 primarily due to the increase in corporate activity. Whereas up until August 2009 the majority of the Company's executive services were provided by part time contractors or through administrative services agreements, the Company now has a full time dedicated staff. There were also higher travel costs during the second quarter of 2010 due to the Company's continued efforts to re-introduce itself to the investment community and raise funds after scaling back its activities in 2008 and the beginning of 2009.

Salaries and benefits were significantly higher during the three month period ending in 2010 compared to the same period in 2009 due to higher staffing levels. As well, Board fees have significantly increased in 2010 as the Company felt the fee increases were necessary to recruit the best possible Board in order to advance the Company. Also the number of Board members has increased to seven from the previous five. Included in salaries and benefits in 2010 is stock-based compensation totalling $107,273 relating to stock options granted in 2009 and 2010.

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

General exploration expense was higher during the three month period ending June 30, 2010 when compared to the same period in 2009, reflecting higher administrative spending in Peru due to staff increases, higher non-property related exploration costs in Peru, Canada and Mexico, and higher stock-based compensation.

As a result of stock options vesting and the amortization of previous grants, during the three months and six months ended June 30, 2010 the Company recognized $158,156 (June 30, 2009 – $(488)) and $293,738 (June 30, 2009 - $10,628) as stock-based compensation expense and recorded this amount in contributed surplus. These amounts were recorded as follows:

	THREE MONTHS ENDED JUNE 30, 2010	THREE MONTHS ENDED JUNE 30, 2009	SIX MONTHS ENDED JUNE 30, 2010	SIX MONTHS ENDED JUNE 30, 2009
Consulting and management fees	$ 18,903	$ (568)	$ 37,805	$ 9,204
General exploration	31,980	-	45,983	99
Salaries and benefits	107,273	80	209,950	1,325
Total	$ 158,156	$ (488)	$ 293,738	$ 10,628

The value of the stock options granted during the three and six months ended June 30, 2010 and 2009 was determined using the Black-Scholes option pricing model. During 2010, the weighted average grant-date fair value of $0.29 for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 164%; risk free interest rate of 2.7%; and expected life of 3.5 years. There were no new grants issued during the first two quarters of 2009.

During the three month period ending June 30, 2010 the Company incurred a foreign exchange gain of $4,022 compared to a $29,210 loss during the same period in 2009. Foreign exchange gains and losses result primarily from the translation of U.S. dollar denominated monetary assets and liabilities into Canadian dollars.

PROPERTY REVIEW

Accha Zinc Oxide District

Including the recent addition of the Gema properties, the 100%-owned Accha Zinc Oxide District covers over 50,000 hectares and hosts zinc and lead oxide mineral reserves at the Accha deposit and mineral resources at both the Accha and Yanque deposits: the Accha deposit is at the north end of the belt and the Yanque deposit is 30 kilometres to the south. Mineralization has been identified in nine other locations in the District and initial exploration on certain targets has been completed. Given the proximity of these projects and prospects, Zincore management now views the Accha Zinc Oxide District as a single operation. To that end, the Company has re-modelled previously completed results to optimize the resources and is testing an alternative metallurgical process that could be used at a central processing facility for the entire district.

Accha

In 2007 Zincore completed a 15,400-metre exploration and infill drill program on the Accha deposit. The results were integrated into the historical drill database and a NI 43-101 mineral resource estimate was prepared by independent consultant Pincock, Allen & Holt ("PAH") and released on December 6, 2007[1]. The results showed that Accha hosts high-grade, near surface zinc oxide mineralization and reported 5.1 million tonnes of indicated mineral resources at 8.2% zinc and 0.9% lead and 1.4 million tonnes of inferred mineral resources at 5.9% zinc and 0.7% lead.

This resource estimate, combined with metallurgical test work completed during 2007, provided the basis for completion of a preliminary feasibility study ("PFS") in 2008 on the Accha deposit. Led by SNC Lavalin Chile, the PFS looked at the technical capability of producing zinc oxide concentrates from Accha ore and also assessed the economic merits of selling the zinc oxide concentrates. On May 1, 2008, Zincore released the results of the PFS[2] which concluded Accha could produce 130,000 tonnes of zinc oxide concentrate grading approximately 27% zinc annually over a seven-year mine life. The PFS estimated site operating costs at U.S. $0.28 per pound and pre-production capital costs at approximately U.S. $65 million. The PFS mine plan would be a combination of open pit followed by underground mining to supply ore to a conventional dense media separation, milling and flotation circuit.

As a result of the PFS, a portion of Accha mineral resources was reclassified as mineral reserves, totaling 4.2 million tonnes grading 7.9% zinc and 0.8% lead. A revised technical report on the deposit was filed on SEDAR in June 2008.

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

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

The PFS also identified a number of opportunities to improve the Project, principally related to resource estimate increases by infill drilling of the inferred mineral resources to convert them to indicated mineral resources and exploration drilling where the deposit remains open. The Company is also working on further optimizing this project by investigating other metallurgical procedures to increase recoveries and then having all the ore in this district treated in one central processing facility. Laboratory testing of a reductive roasting technology returned positive results of 76% and 97% zinc extraction from Yanque and Accha ores respectively. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon. Following these positive initial results, the Company decided to go ahead with pilot testing of larger samples from both deposits. A ten tonne representative sample from the Accha deposit has been tested, under the supervision of Metallicon and Hatch, at the Cementos Pacasmayo SA plant located in Pacasmayo, Peru. Results are expected during the third quarter. A second ten tonne representative sample from the Yanque deposit has also been collected as planned and sent to the Cementos Pacasmayo SA plant for testing. Test work started in late July under the same control conditions as for the Accha sample.

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

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

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

As part of their report, Micon confirms the numbers published in the PAH report. Micon has also proposed 5,760 metres of in-fill diamond drilling to allow the classification of a significant portion of the deposit as Indicated Mineral Resources. Zincore is currently implementing this program and drilling began at Accha in late June. The re-logging of all historical drill holes was completed recently and a set of re-interpreted sections has been sent to Micon in order to better define the high grade portions of the deposit. Some surface work including mapping and trenching was also done to locate the contacts between the high grade and lower grade sections of the deposit.

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

A formal agreement was signed with the main community holding the surface rights to the deposit area giving the Company access to the lands for a five year period. Discussions are well advanced with the community which is the closest neighbor to the deposit with the objective of renewing a similar agreement to secure the next five years of exploration work in the vicinity.

Yanque

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

Results of previous metallurgical work on Yanque samples indicated low recovery of zinc minerals into concentrate due to the presence of a high amount of zinc clays and lower grade zinc minerals that do not respond favorably to DMS. The Company is investigating alternative metallurgical procedures to increase recoveries and with the ability of treating all ores from the Accha Zinc Oxide District in one central processing facility. With the positive results obtained from the laboratory testing of the reductive roasting method described above, the Company is now proceeding with pilot plant testing of the Yanque ores using the same facility as with the Accha ore and under the same control conditions as for the Accha sample. In preparation for the mentioned pilot testing, a ten tonne representative sample from the Yanque deposit was collected as planned and sent to the Cementos Pacasmayo SA plant.

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

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

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

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 in 2010.

The Gema Properties are located adjacent to Zincore's Yanque Project with the main Gema prospect located nine kilometres northwest of Yanque. Gema is hosted in the same sedimentary units of 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 Pb, Zn, Ag and locally Au. A 2 metre channel sample collected by Zincore personnel from one of the mantos returned values of 729 parts per billion Au, 189g/t Ag, 8.38%Pb and 1.16%Zn.

Zincore's 2010 Gema exploration program will consist of detailed mapping and trenching to better define the continuity and grades of the mineralized gossans.

Other Exploration Properties

In 2008 the Company discovered a copper-gold porphyry target east of Yanque called Dolores. While a large target area was identified, sampling and assaying was constrained to a new road cut that exposed the underlying mineralization and returned encouraging high-grade values. Dolores remains a priority area for Zincore and now that the community agreements covering the Yanque area have been renewed the exploration program is moving forward. Geological crews have begun mapping and sampling of the target area in order to better define the extent of the alteration zone. Geophysical surveys and drilling are planned for later this year.

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

In January 2010 the Company announced that it had entered into an option agreement with Pembrook, a company related to Zincore by way of directors in common, to earn a 100-per-cent interest in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively.

The Cariboo Zinc Property consists of 15 claims totaling 4,280 hectares and is easily accessible from the town of Quesnel, 115 kilometres to the northwest, in south central British Columbia. The Property is underlain, amongst other lithologies, by dolomite that hosts widespread Zn-Pb mineralization over a nine by one kilometre area. Chip samples taken by Zincore on the Gunn Zone returned 7.8% Zn over 17 metres including 10.12% over 10 metres and 21.8% Zn over 2.8 metres. Mineralization consists of massive zinc and lead sulphides with minor oxides.

A program of soil sampling and geological mapping to complete coverage of the Property, followed by 2,000 metres of diamond drilling in eight holes, is planned for 2010. The drilling will test those areas showing the best mineralization on surface and will drill across stratigraphy, focusing on the dolomite unit where the best zinc in soil and rock values have been observed.

The 2010 work program for the Cariboo is currently on hold pending the approval of the drill permit by provincial authorities.

The Sajapampa Property comprises 6,000 hectares, located 200 kilometres southeast of Lima. Mineralization on the Sajapampa property is hosted at surface by what are believed to be shallow volcanic and sedimentary rocks overlying the Jumasha Limestone formation, which is known to host massive carbonate replacement and skarn ore bodies in central Peru. The conceptual targets in the underlying limestone, including zones of skarn-development, carbonate replacement ore bodies and intrusion-related systems, are indicated by the occurrence of widespread structure related mineralization leakage into the upper volcanic-sedimentary sequence.

Exploration in the overlying volcanic-sedimentary cover completed during the 2007 field season by Pembrook included district-wide drainage sampling, scout rock-chip sampling, trench excavation and channel sampling. Mineralization occurs as a variety of related styles and comprises: multiple high-grade Pb-Zn-(Ag-Cu) shear and vein zones which returned values up to 41.1% zinc and 30.0% lead; Carbonate-quartz-garnet alteration halos to the high-grade vein and shear zones which returned values up to 7% zinc and 19.3% lead, and extensive and bedding-conformable replacement manto-style carbonate-mineralization in the volcanic stratigraphy which returned values up to 22.6% zinc and 1.2% lead.

Geophysical surveys have recently been completed on the Sajapampa property and the Company plans to design a follow-up drill program once all the results have been reviewed.

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

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

Semi-massive to massive sulfide mineralization has been observed on seven different locations within the optioned land package namely the Bouchette-DesNègres horizon, Leitch-Lafontaine-Parker horizon and Lemieux-Route 107, Blue Sea, and Kilmar horizons. Typically the massive sulfides contain 25% sphalerite, 25% pyrrhotite, 15% pyrite and trace chalcopyrite in a matrix made mainly of diopside and variable amount of calcite, phlogopite, tremolite, scapolite and rare quartz. The sulfides are homogeneous, granular and vary in size from medium to coarse (5 to 10 mm).

During 2007 and early 2008, Midland conducted a limited combined magnetic and electromagnetic helicopter survey (VTEM) over some of the known mineralized areas within the Gatineau project area. The combined EM and magnetometric survey proved to be very effective to map buried favourable geology unknown until now. Preliminary results indicate that the new survey has detected conductors on several lines with some of them having a good magnetic association.

The exploration program on the Gatineau project started in July with some ground geophysical surveys and additional geological mapping of priority AEM targets. Drilling is expected to follow shortly after this first phase of work is completed.

QUARTERLY FINANCIAL INFORMATION

The selected consolidated financial data has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three and six month periods ended June 30, 2010 and 2009 and the audited consolidated financial statements for the years ended December 31, 2009 and 2008.

Selected Quarterly Financial Data (unaudited)

FISCAL QUARTER ENDED	JUN 30 2010	MAR 31 2010	DEC 31 2009	SEP 30 2009	JUN 30 2009	MAR 31 2009	DEC 31 2008	SEP 30 2008
Interest and other income	$ 4,328	$ 4,743	$ 4,041	$ 330	$ 2,802	$ 2,480	$ 8,192	$ 15,867
Net loss	$ (984,803)	$ (804,330)	$ (762,017)	$ (916,951)	$ (407,210)	$ (414,561)	$ (1,359,005)	$ (528,411)
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.01)
Total assets	$ 22,015,515	$ 21,275,152	$ 21,088,056	$ 21,541,181	$ 16,711,613	$ 16,765,269	$ 17,217,550	$ 18,705,672
Total liabilities	$ 1,768,115	$ 194,234	$ 239,391	$ 197,252	$ 466,302	$ 132,946	$ 181,782	$ 323,530

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

During the quarters ending September 30, 2008, December 31, 2008, March 31, 2009, and June 30, 2009 Zincore reduced expenditures due to market conditions restricting the financing of exploration and development projects. As a result of the Company's increased liquidity since the fourth quarter of 2009, the Company's overall corporate and exploration expenses have slowly begun to rise again reflecting the increased activity during the first two quarters of 2010. Quarterly variances in net loss have generally been impacted by four key factors: mineral property write-offs, stock-based compensation expense, foreign exchange gains or losses, and general exploration expense.

In the fourth quarter of 2008 the Company expensed mineral property costs of $1,006,775 primarily relating to its Minasccasa property. During the first quarter of 2009 a loss of $49,102 related to disposals of surplus field equipment and other office assets resulting from planned reductions in activities. During the third quarter of 2009 the Company expensed mineral property costs of $194,852 relating to all of its mineral properties in Mexico and Chile. During the fourth quarter of 2009, and first and second quarters of 2010 the Company recorded $280,956, $135,582, and $158,156 respectively, as stock-based compensation as a result of stock options granted.

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

Total assets in the third quarter of 2009 increased primarily as a result of an equity financing and a large increase in liabilities in the second quarter of 2010 resulted primarily from firm one year commitments the Company agreed to pursuant to the Gatineau, Cariboo, and Sajapampa property agreements, as well as increased drilling activity on the Accha project.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Zincore is a mineral exploration company and as such is not in commercial production at any of its mineral properties and, accordingly, it does not generate cash from operations. The Company intends to finance its activities by raising capital through the equity markets or asset divestitures.

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

As at June 30, 2010, Zincore had working capital of $1,062,369 compared to $4,700,371 at December 31, 2009. Working capital consists of current assets less current liabilities. The working capital decrease was due to the firm exploration expenditure commitments relating to the Gatineau, Cariboo, and Sajapampa projects which have been accrued, optimization and community relations work being done on the Accha Zinc Oxide District, and general corporate activities partially offset by an equity financing completed late in the first quarter of 2010. Expenditures on the Accha Zinc Oxide District during the first quarter of 2010 totalled $1,140,191 while expenditures on other properties totaled approximately $804,000. The expenditures on these other projects related primarily to the firm commitment accruals discussed above, community relations work on the Minasccasa project and preliminary geophysics and geological work on Sajapampa and Cariboo.

In January 2010, the Company announced that it had entered into an option agreement with Pembrook to earn a 100% interest in Pembrook's Cariboo and Sajapampa zinc-lead properties located in Canada and Peru, respectively. Under the terms of the agreement, Zincore can earn a 100% interest in the properties by incurring exploration expenditures of $875,815 ($480,815 firm commitment for Cariboo; $395,000 firm commitment for Sajapampa) within the first year and issuing five million Zincore shares to Pembrook over a three-year period. Pembrook will retain a 2% NSR on the properties (with the exception of that portion that is also subject to an underlying NSR with a third party) and Zincore will be entitled to buy back one of those two percentage points for $1.5 million at any time, as well as have a pre-emptive right to purchase in the event Pembrook wishes to sell any portion of the royalty. A small portion of the Sajapampa property (800 of 6,000 hectares) is subject to an underlying agreement with a third party, pursuant to which an additional $350,000 in payments must be made on or before April 2013, and a 2% NSR is payable. One percentage point of this net smelter return royalty can be bought back for U.S. $1.0 million. The underlying agreement is being assigned to the Company. In March 2010, the Company issued one million common shares valued at

$340,000 pursuant to this agreement. As at June 30, 2010, the Company had exploration expenditures totalling $113,442 on Sajapampa and $19,707 on Cariboo.

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

In June 2010 the Company entered into an option agreement with a subsidiary of Hochschild to earn a 100% interest in the Gema Properties located near the Company's Accha Zinc Oxide District in southern Peru. The Company can acquire a 100% interest by preparing a scoping study within four years, a pre-feasibility study within six years, and a feasibility study within eight years. As well, the Company must make total investments of $850,000 in the property within four years. Upon completing the earn-in, the Company will grant Hochschild a 1.5% net smelter return royalty on the production of base metals. In the event that the Scoping Study determines that precious metals found on the property exceed 65% of the total value of the deposit, Hochschild will have the right to exercise a one-time option to "back in" to the project for a 60% interest (at which point Zincore would vest a 40% interest), by paying Zincore three times the costs of the expenditures incurred to produce the Scoping Study and assuming the obligations to produce a Pre-Feasibility and Feasibility study within the same periods that had applied to Zincore. Should Hochschild decide not to exercise this option, Zincore will vest a 60% interest following completion of the Scoping Study and continue to fulfill the criteria for the 100% interest.

In July 2010 the Company closed a non-brokered private placement whereby it raised gross proceeds totalling $2,908,000 by issuing 8,308,572 units at $0.35 per unit. Each unit was comprised of one common share and one-half, non-transferable, common share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at $0.45 per share for up to two years.

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

Zincore does not hold any asset-backed commercial paper and current liabilities as at June 30, 2010 totaled $1,768,115. Accounts payable and accrued liabilities relate principally to trade payables.

The Company's material contractual obligations are an office lease agreement for its corporate office in Vancouver, which expires on March 31, 2011. The agreement covers rent and operating expenses currently estimated at $10,990 per month. In December 2008 Zincore signed a sublease agreement with a third party that fully funds its obligations regarding the corporate office lease until expiry of the lease agreement. The sublease agreement became effective January 15, 2009. The Company has also entered into a new office sub-lease commencing in September 2010 and expiring in September 2017. This office will be the new head office for the Company in Vancouver. The Company has entered into property option agreements for Cariboo, Sajapampa, Gema, and Gatineau. Details of these agreements are discussed in the "Project Review" and "Financial Condition, Liquidity and Capital Resources" sections above.

Contractual obligations	TOTAL	2010	2011	2012	2013	2014	2015-2017
Operating lease obligations	$ 1,052,430	$ 109,780	$ 164,490	$ 132,890	$ 135,630	$ 137,000	$ 372,640
Property Options	$ 5,725,815	$ -	$ 1,725,815	$ 1,220,000	$ 1,390,000	$ 1,390,000	$ -

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

Zincore had a Services Agreement with Southwestern Resources Corp. ("Southwestern"), now a wholly owned subsidiary of Hochschild, up until July 31, 2009, whereby Southwestern agreed to provide the Company with accounting, corporate secretarial and other services in Canada. Collasuyo, Zincore's indirect wholly owned subsidiary, entered into an Outsourcing Operating Assistance Services Agreement with Southwestern's indirect wholly owned subsidiary Minera del Suroeste SAC ("MISOSA"), whereby MISOSA agreed to provide Collasuyo with office space, use of MISOSA's facilities and secretarial and accounting services in Peru. In August 2009 the agreement between Collasuyo and MISOSA was cancelled and the agreement in Canada was amended such that the Zincore staff would provide administrative services to Hochschild, who at that time was a 36.9% shareholder but is no longer, in return for Zincore using Southwestern's existing office space. In addition the Company paid remuneration for management services to companies controlled by directors in common. In 2010 the Company entered into a contract with a subsidiary of its significant shareholder, Inversiones Pacasmayo, for use of its facility for metallurgical testing. Details of these related party transactions are as follows:

	THREE MONTHS ENDED JUNE 30, 2010	THREE MONTHS ENDED JUNE 30, 2009	SIX MONTHS ENDED JUNE 30, 2010	SIX MONTHS ENDED JUNE 30, 2009
Administrative services agreements	$ -	$ 37,181	$ -	$ 79,420
Remuneration paid to a company controlled by a director	$ 80,326	$ 5,000	$ 142,129	$ 13,850
Amount paid to significant shareholder for services	$ 96,602	$ -	$ 96,602	$ -

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, prepaids, advances and other receivables, accounts payable, and accrued liabilities. The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Prepaids, advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

Based on the Company's considerable discretion to reduce or increase exploration plans, the Company has sufficient funds to continue operations through the next 12 months.

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

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

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

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

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

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On January 1, 2010, the Company adopted CICA Handbook Sections 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2010. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Adoption of these sections as of January 1, 2010, did not have a material impact on the Company's consolidated financial statements.

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 114,660,075 common shares issued and outstanding.

As at the date of this MD&A, Zincore has 5,718,000 stock options outstanding with a weighted average exercise price of $0.33 per option. Of this total, 3,986,323 stock options are exercisable with a weighted average exercise price of $0.36. The Company also has 4,154, 288 warrants outstanding with a price of $0.45 expiring on July 5, 2012.

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

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

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

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

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

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

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

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

DISCLOSURE CONTROLS AND PROCEDURES

As required by 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 have been maintained. However where segregation of duty deficiencies exist, the Company relies on certain compensating and detection controls, including dual signatories on all cash disbursements, review and approvals of all bank reconciliations by persons other than the preparer, and quarterly and annual review of financial statements, and other information by the Audit Committee.

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

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

There has been no change in the Company's internal control over financial reporting during the six month period ended June 30, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.