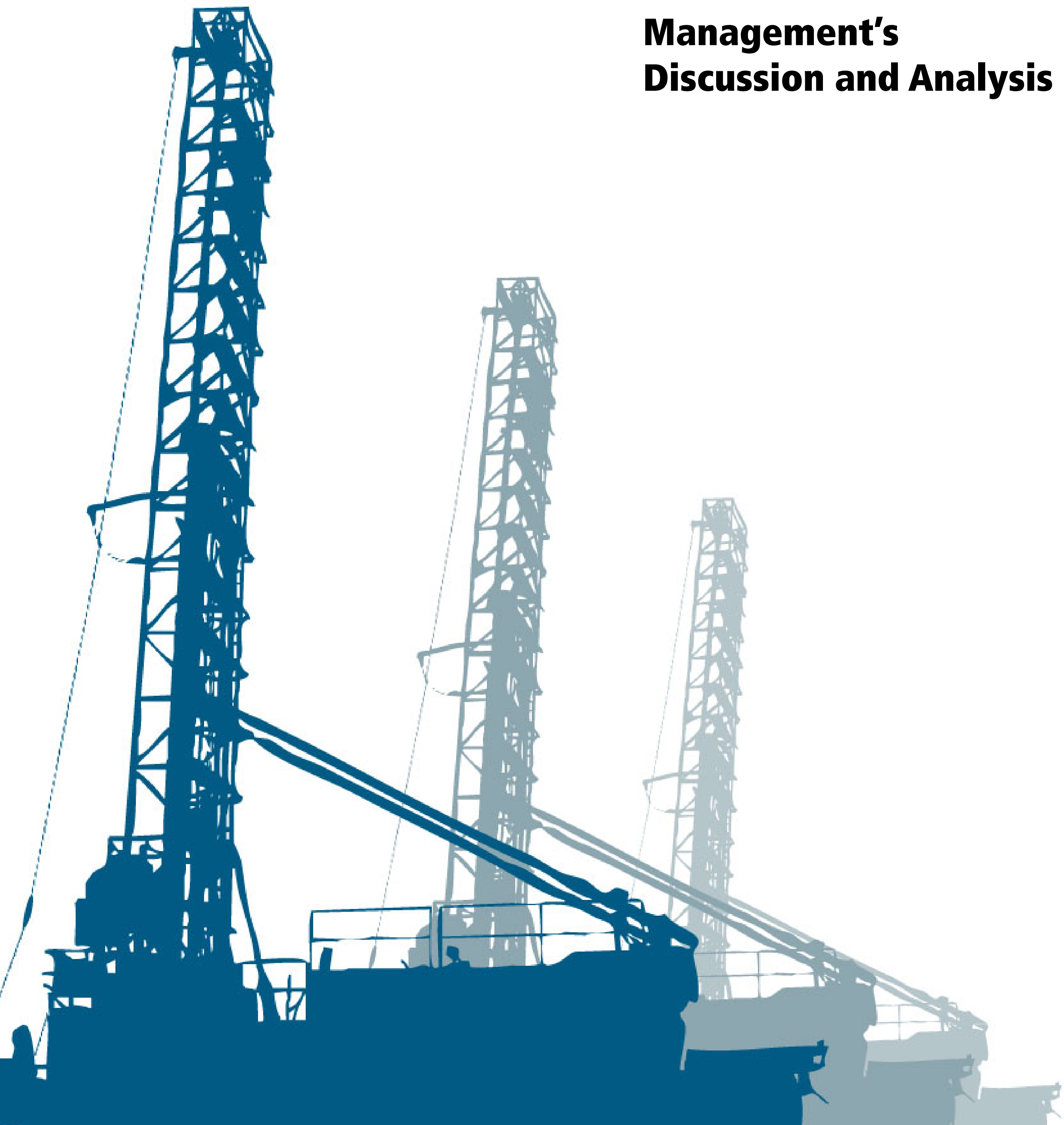
ZINCORE METALS INC.

For the Three and Nine Months Ended
September 30, 2011 and 2010

Management's Discussion and Analysis



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

For the Three and Nine Months Ended September 30, 2011 and 2010
All figures in Canadian dollars unless otherwise noted

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries ("Zincore" or the "Company"), for the three and nine month periods ended September 30, 2011 and 2010 is prepared as of November 3, 2011 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2011 and 2010 which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the audited financial statements for the years ended December 31, 2010 and 2009 which were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All of these statements are available on the Company's website at www.zincoremetals.com or on the SEDAR website at www.sedar.com. Additional information relating to the Company, including its Annual Information Form ("AIF") dated March 18, 2011, is also available on SEDAR at www.sedar.com.

All financial information in this MD&A is presented in Canadian dollars unless otherwise noted.

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

FORWARD-LOOKING STATEMENTS

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

OUTLOOK

On October 13, 2011 the Company announced it had received a positive Preliminary Economic Assessment ("PEA") for the development of the Accha Zinc Oxide District ("AZOD") project from AMEC Peru S.A. plc ("AMEC") whom it had engaged to carry out the study. AMEC made several recommendations for the project including the commencement of a prefeasibility study ("PFS"). The PEA considered two scenarios for the production of final products for sale. A Base Case investigated processing the concentrate to produce a special high grade zinc ingot and lead sulphate, by-product, while an alternate scenario considered selling the zinc-lead oxide concentrate to a third-party refinery (the "Fume Case"). Further details of the PEA are included in this MD&A under the section titled "Project Review". Depending on the opportunities to raise additional capital, the Company plans on completing a PFS during 2012.

On Dolores, results of the last eight holes drilled were released in early October. Highlights include: 0.32% Cu Eq over 144.4 metres, including 0.49% Cu Eq over 72.4 metres in hole DOL-9; 0.29% Cu Eq over 116 metres in hole DOL-10; and 0.20% Cu Eq over 33.7 metres in hole DOL-7. Cu Eq is calculated using TD Newcrest long term prices of US 2.25/lb copper and US $15.00/lb molybdenum. Metallurgical recoveries and net smelter returns are assumed to be 100%.

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 1.5km and possibly further. Once the mapping is completed, the Company plans to expand the IP and magnetic geophysical survey coverage to help define a second phase diamond drill program. This second phase of exploration drilling is scheduled to start during the first quarter of 2012.

The Company continues to investigate other zinc-lead opportunities in the Americas.

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. The Company is also actively searching for projects in other countries.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

The price of zinc fluctuated mostly between $1.00/lb and $1.10/lb during the first two quarters of 2011 but has decreased to the mid $0.80 range during the third quarter, while zinc related equities remained relatively depressed. Zincore's stock price has been under pressure since March due to the same host of geopolitical reasons that have affected most mining companies. These included political instability in the Middle East, the earthquake in Japan, and the debt crisis that is afflicting Europe and the United States. During the short term the Company believes commodity prices will remain relatively volatile, however, zinc and lead markets are indicating positive fundamentals going forward, especially around 2015 when the Company expects to enter into production on its AZOD project.

On March 21, 2011, the Company announced the results of an independent mineral resource estimate for the Accha deposit of the Accha Zinc Oxide District. Measured Resources comprise almost 56% of the combined Measured and Indicated contained metal total. A full technical report was filed on SEDAR on May 6, 2011. At a 2% cutoff, the deposit contains 2,492 million tonnes at 8.71%Zn and 0.78%Pb (478 million lbs Zn and 43 million lbs Pb). Combined Measured and Indicated resources now total 5,563 million tonnes at 7.01%Zn and 0.82%Pb (860 million lbs Zn and 100 million lbs Pb). In addition, there are 1,276 million tonnes at 4.60% Zn and 0.65% Pb (129 million lbs Zn and 18 million lbs Pb) in the Inferred category.

During 2011 the Company announced assay results from the first 35 holes of in-fill definition drilling at the Yanque deposit of the Accha Zinc Oxide District. Of these, the results from 25 holes were announced during the second quarter alone. Results are summarized below in the section titled "Project Review". The definition drilling program was completed during the third quarter of 2011.

A new resource estimate for the Yanque deposit was prepared by AMEC as part of the PEA. This estimate includes the initial 45 holes previously drilled in 2007 and 2008 by Zincore, but does not include results from the drilling program performed in 2011. The updated Inferred Mineral Resource estimate for the Yanque deposit now consists of 12.5 Mt with an average grade of 3.5% Zn and 3.7% Pb within a pit shell. Mineral Resources were estimated by Chris Wright P.Geo. (APGO, 901) of AMEC, a qualified person as defined under NI 43-101, with an effective date of May 31, 2011.

On October 13, 2011 the Company announced it had received a positive Preliminary PEA for the development of the AZOD project from AMEC whom it had engaged to carry out the study. In the study AMEC made several recommendations for the project including the commencement of a PFS. The PEA considered two scenarios for the production of final products for sale. A Base Case investigated processing the concentrate to produce a special high grade zinc ingot and lead sulphate, by-product, while an alternate scenario considered selling the zinc-lead oxide concentrate to a third-party refinery (the "Fume Case"). Highlights include an after – tax NPV of US $140 million and IRR of 16.5% in the Base Case scenario and an after-tax NPV of US $176 million and IRR of 24.3% in the Fume Case scenario. Further details of the PEA are included in this report under the section titled "Project Review".

Results of the last eight holes drilled on the Dolores property were released in early October 2011. Highlights include: 0.32% Cu Eq over 144.4 metres, including 0.49% Cu Eq over 72.4 metres in hole DOL-9; 0.29% Cu Eq over 116 metres in hole DOL-10; and 0.20% Cu Eq over 33.7 metres in hole DOL-7. Cu Eq is calculated using TD Newcrest long term prices of US 2.25/lb copper and US $15.00/lb molybdenum. Metallurgical recoveries and net smelter returns are 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.

During the third quarter of 2011 the Company decided to terminate its option agreement relating to the Gatineau Project in Canada, and as a result, wrote-off exploration expenditures totalling $693,802.

In September 2011 the Company announced that Paul Smith had been appointed Interim CFO. Mr. Smith will replace Giovanni Susin, who will continue as Vice President, Finance. It is expected that Mr. Smith will be appointed permanent CFO once his immigration process from South Africa to Canada has been completed. Paul has over twenty years in close association with the mining industry as a senior executive, financier, business developer, operations manager and metallurgist. He has degrees from the Camborne School of Mines, U.K. (DMT, Extractive Metallurgy), Rhodes University, South Africa (B.Sc. Chemistry, Geology) and Stellenbosch University, South Africa (MBA & B.Com.)

On June 15, 2011 the Company completed a private placement by issuing 22,900,000 units at a price of $0.28 per unit for gross proceeds of $6,412,000. Each unit comprised one common share and one-half common share purchase warrant. The warrants are non-transferable and each whole warrant entitles the holder to purchase one common share at $0.40 until June 15, 2014.

As at September 30, 2011, the Company had working capital totaling $3,682,623.

RESULTS OF OPERATIONS

	QUARTER ENDED SEPTEMBER 30, 2011	QUARTER ENDED SEPTEMBER 30, 2010
Mineral property costs written off	$ 693,802	$ -
Other general and administrative expenses	$ 303,592	$ 194,896
Salaries and benefits	$ 295,580	$ 267,494
General exploration	$ 272,817	$ 293,794
Consulting and management fees	$ 188,935	$ 121,111
Foreign exchange loss	$ 6,969	$ 8,929
Depreciation	$ 1,920	$ 1,484
Mineral properties	$ 29,244,601	$ 20,208,993

Total expenses were higher during the third quarter of 2011 relative to the same period in 2010 primarily as a result of the decision to write off a mineral property, increased travel expense, and expenditures relating to the hiring of a new CFO.

During the quarter the Company decided to abandon its option relating to the Gatineau project in Quebec. As a result of this decision, exploration expenditures totalling $693,802 were written off.

General exploration expense was lower during the third quarter 2011 when compared to the same period in 2010 reflecting lower exploration activities of a reconnaissance nature.

Other general and administrative expenses were higher during the third quarter of 2011 compared to the same period in 2010, due to the timing of significant travel expenditures, and the recruiting costs related to the hiring a new CFO as well as other management positions.

Salaries and benefits were slightly higher during the three month period ending September, 2011 compared to the same period in 2010 due to pay raises given to certain personnel in late 2010. Also included in salaries and benefits in 2011 is share-based compensation totalling $69,878 compared to $70,760 during the same period in 2010.

Consulting and management fees were higher during the third quarter of 2011 compared to the same period in 2010 due to fee increases given to certain consultants as well as the hiring of additional consultants to augment the staffing levels as the Company moves towards developing the AZOD project.

As a result of share options vesting and the amortization of previous grants, during the three and nine months ended September 30, 2011 the Company recognized $107,736 (September 30, 2010 – $107,642) and $588,008 (September 30, 2010 - $401,380), respectively, as share-based compensation expense and recorded this amount in share based payment reserve. These amounts were recorded as follows:

	THREE MONTHS ENDED SEPTEMBER 30, 2011	THREE MONTHS ENDED SEPTEMBER 30, 2010	NINE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2010
Consulting and management fees	$ 3,650	$ 8,592	$ 114,266	$ 46,397
General exploration	34,208	28,290	278,628	74,273
Salaries and benefits	69,878	70,760	195,114	280,710
Total	$ 107,736	$ 107,642	$ 588,008	$ 401,380

The value of the share options granted during the three and nine months ended September 30, 2011 and 2010 was determined using the Black-Scholes option pricing model. During the nine months ended September 30, 2011 the weighted average grant-date fair value of $0.30 (September 30, 2010 - $0.28) for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 95% (September 30, 2010 - 164%); risk free interest rate of 2.0% (September 30, 2010 – 2.7%); and expected life of 3.5 years (September 30, 2010 – 3.5 years). Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the share purchase options.

During the three month period ending September 30, 2011 the Company incurred a foreign exchange loss of $6,969 compared to a loss of $8,929 during the same period in 2010. Foreign exchange gains and losses result primarily from the translation of U.S. dollar denominated monetary assets and liabilities into Canadian dollars.

PROPERTY REVIEW

Accha Zinc Oxide District ("AZOD")

AZOD covers over 50,000 hectares and hosts zinc and lead oxide mineral resources at both the Accha and Yanque deposits. The Accha deposit is at the north end of the District and the Yanque deposit is 30 kilometres to the south. Mineralization has been identified in nine other locations in the District and initial exploration on certain targets has been completed. These nine other locations have the potential to add to the resources at the district. Zincore management views the AZOD as a single operation. To that end, the Company has re-modelled previously completed results to optimize the resources and tested a laboratory and pilot scale metallurgical process that would be used at a central processing facility for the entire District. In the middle of October 2011, the Company received a Preliminary Economic Assessment 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.

Preliminary Economic Assessment (the "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 Zn
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	3.3 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*

AMEC constructed a mineral resource model for the Yanque Deposit portion of AZOD for use in the PEA. The new Mineral Resource estimate, which replaces the previous estimate announced by Zincore in 2008, totals 12.5 Mt of Inferred Mineral Resources with an average grade of 3.5% Zn and 3.7% Pb within a Mineral Resource pit shell constructed considering a zinc price of US$ 1.08/lb Zn and US$ 1.00/lb Pb. Mineral Resources were estimated by Chris Wright, P.Geo. of AMEC, a Qualified Person as defined under NI 43-101, and have an effective date of May 31, 2011.

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 will be filed on SEDAR before November 27, 2011.

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. Zincore generated cross-sections through the best, near surface mineralization to confirm this interpretation. Four north/south cross-sections at 186600E, 186650E, 186700E and 186750E were generated and the correlation between Coral Reef and high grade zinc mineralization was clearly visible. Micon used this sectional interpretation to build a three-dimensional wireframe model of a 300 metre long portion of the Accha deposit from sections 186500E to 186800E. Micon's wireframe model confirmed that the higher grade zinc and lead mineralization occurs in a continuous body, enhancing the understanding of the Accha deposit. 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%Zn and 0.78%Pb (478 million lbs Zn and 43 million lbs Pb). Combined measured and indicated resources total 5,563 million tonnes at 7.01%Zn and 0.82%Pb (860 million lbs Zn and 100 million lbs Pb). In addition, there are 1,276 million tonnes at 4.60% Zn and 0.65% Pb (129 million lbs Zn and 18 million lbs Pb) in the inferred category. It is important to note that the Micon resource calculations were done using a capping factor while the previous 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 late June 2011, Zincore personnel initiated detailed mapping and trenching to the west of the area covered by the 2010 definition drilling program 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 and this work is scheduled for the first half of 2012.

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 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 Mt with an average grade of 3.5% Zn and 3.7% Pb within a Mineral Resource pit shell constructed considering a zinc price of US$ 1.08/lb Zn and US$ 1.00/lb Pb. 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 more recent definition drilling program at Yanque will be incorporated in the Prefeasibility Study for the AZOD project expected to be completed in 2012.

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 equivalents over 13.0 metres and 32.72 g/tonne silver and 9.14% zinc equivalents over 4.0 metres in hole YA-49; 25.46% zinc equivalents over 12.0 metres in hole YA-52; 11.94% zinc equivalents over 11.0 metres and 10.53% zinc equivalents over 7.0 metres in hole YA-54; 11.53% zinc equivalents over 6.0 metres in hole YA-48 and 7.39% zinc equivalents over 54.6 metres in hole YA-54.

On May 19, 2011, the company announced assay results from sixteen additional holes. Highlights from these holes included: 18.89% Zn Eq over 5.0 metres and 7.92% Zn Eq and 38.2 g/tonne Ag over 12.0 metres in hole YA-70; 15.62% Zn Eq over 5 metres in hole YA-61; 13.95% Zn Eq over 6.0 metres in hole YA-67; 10.83% Zn Eq over 10.0 metres in hole YA-64; 10.22% Zn Eq over 6.5 metres in hole YA-56 and 6.02% Zn Eq and 21.4 g/tonne Ag 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% Zn Eq over 56.9 metres, including 15.11% Zn Eq over 14.0 metres and 14.81% Zn Eq over 6.0 metres in hole YA-72; 15.06% Zn Eq over 13.6 metres, including 19.6% Zn Eq over 8.6 metres in hole YA-78; 13.85% Zn Eq over 9.0 metres in hole YA-80; and 11.56% Zn Eq over 6.0 metres in hole YA-77.

The definition drilling program was completed at Yanque as expected at the end of August. Results have been very encouraging and have met with the Company's expectations. The next phase of work at Yanque is to carry out an exploration drilling program in the immediate vicinity of the currently known deposit starting in early 2012 to test for possible extensions to the north, east, and south.

Metallurgy

Since the end of 2009, the Company has been working on optimizing the AZOD project by investigating other metallurgical procedures to increase recoveries and then having all the mineral resources from the District treated in one central processing facility. Laboratory testing during 2010 of a reductive roasting technology (Waelz Kiln) returned positive results of 97% zinc extraction from Accha 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. More work needs to be done to optimize the process but the findings so far are positive for the economics for the whole Accha Zinc Oxide District.

Previous metallurgical work on Yanque samples using dense medium separation ("DMS") as a method of concentration indicated low zinc recovery, due to a high amount of zinc clays and zinc mineralogy that do not respond favorably to DMS.

Other Accha Zinc Oxide District Prospects

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

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

The Company continues in its efforts to reach an access agreement on the Gema area. Recent discussions indicate a willingness to negotiate on the part of some community leaders. The company remains confident that an agreement is within reach but this will require patience to allow all the community residents a chance to express their views. Past experience has shown that patience is the key in reaching an agreement based on mutual confidence and trust. Once the access agreement is reached, 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, however sampling and assaying were confined to a road cut that exposed the underlying mineralization and returned encouraging high-grade values.

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

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

VDG del Peru SAC of Lima was contracted to carry out a deep reconnaissance IP survey over 22 square kilometres with 500 metre line-spacing (48 line kilometres). Magnetic and Gamma Spectrometry were also completed within the same target area at 250 metre line spacing (92 line kilometres).The survey was completed late in 2010 and results confirmed the presence of large chargeability and magnetic anomalies that are consistent with porphyry style mineralization. Drilling started in early 2011 following the approval of the first stage drill permit and results from the first two holes were released on March 3, 2011. The results from the second hole indicated consistent and evenly distributed copper and molybdenum mineralization throughout the length of the hole, including 0.27% copper equivalent over 297 metres. The mineralization was encountered just below the surface (at about 18 metres) and extended to 315 metres with no zero grade intervals.No significant values were intercepted for the first drill hole, which is located almost two kilometres from the second one 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. Highlights include: 0.32% Cu Eq over 144.4 metres, including 0.49% Cu Eq over 72.4 metres in hole DOL-9; 0.29% Cu Eq over 116 metres in hole DOL-10; and 0.20% Cu Eq over 33.7 metres in hole DOL-7. Cu Eq is calculated using TD Newcrest long term prices of US 2.25/lb copper and US $15.00/lb molybdenum. Metallurgical recoveries and net smelter returns are 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 1.5km and possibly further. Once the mapping is completed, the Company plans to expand the IP and magnetic geophysical survey coverage over this very prospective ground to help define a second phase diamond drill program. This second phase of exploration drilling is scheduled to start during the first quarter of 2012.

Other Exploration Properties

At the 100%-owned Minasccasa property, located in the Andahuaylas-Yauri metallogenic belt in southern Peru, 400 km southeast of Lima, Zincore spent 2010 trying to reach an access agreement with the local communities. Unfortunately, the National Peruvian elections combined with a conflict between a community not related to Zincore's property and another mining exploration company in the same general area as Minasccasa, has greatly complicated the situation. In view of this situation, the Company decided to stop its efforts and wait for the regional political climate to calm down. We continue to monitor the situation and plan to return to the area once the conditions improve.

In April 2010 the Company optioned a promising zinc land package from Midland Exploration Inc. ("Midland"). The Gatineau project is located in the province of Québec and is close to major infrastructure. The exploration program on the Gatineau project started in July 2010 with some ground geophysical surveys and additional geological mapping of priority AEM targets. Two trenches were completed to obtain further geological data in order to orient a future drilling campaign. Channel sampling, on both sites, revealed a zinc rich massive sulphide horizon. Following the completion of the first year exploration program and review of the results, Zincore decided to continue with a limited exploration program on the Gatineau project for 2011. After a review of the results obtained from the exploration program, Zincore decided to terminate this option agreement and advised Midland of the decision in September 2011.

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 and nine month periods ended September 30, 2011 and 2010 and the audited consolidated financial statements for the years ended December 31, 2010 and 2009.

FISCAL QUARTER ENDED	SEPT 30, 2011 (IFRS)	JUN 30, 2011 (IFRS)	MAR 31, 2011 (IFRS)	DEC 31, 2010 (RESTATED IFRS)	SEP 30, 2010 (RESTATED IFRS)	JUN 30, 2010 (RESTATED IFRS)	MAR 31, 2010 (RESTATED IFRS)	DEC 31, 2009 (GAAP)
Interest and other income	$ 13,764	$ 11,023	$ 22,855	$ 20,958	$ 7,999	$ 4,328	$ 4,743	$ 4,041
Net loss	$ (1,749,851)	$ (1,226,236)	$ (1,815,808)	$ (2,632,182)	$ (879,649)	$ (982,260)	$ (800,217)	$ (762,017)
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

Total assets	$ 34,006,278	$ 33,627,372	$ 29,255,146	$ 31,053,966	$ 23,491,636	$ 22,293,545	$ 20,790,704	$ 21,088,056
Total liabilities	$ 644,818	$ 767,194	$ 1,009,996	$ 803,716	$ 1,483,079	$ 1,815,456	$ 233,475	$ 239,391

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.

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

During the fourth quarter of 2010 the Company expensed mineral property costs of $897,840 relating to the Cariboo and Sajapampa properties.

Share-based compensation expense is impacted by vesting schedules, forfeitures and the number of options granted. Foreign exchange losses vary based on the strengthening or weakening of the Canadian dollar relative to the U.S. dollar and Peruvian soles as well as U.S. dollar denominated cash balance. Interest income varies with changes in cash balances and interest rates.

General exploration expense varies depending on the focus of activities within the Company. During periods where the Company is evaluating new opportunities or establishing a presence in a country, general exploration expense is typically higher than in other periods.

Total assets in the second quarter of 2011, fourth quarter of 2010, and the third quarter of 2010, increased primarily as a result of equity financings, and a large increase in liabilities in the second quarter of 2010 resulted primarily from firm one year commitments the Company agreed to pursuant to the Gatineau, Cariboo, and Sajapampa property agreements. There have been no firm commitments outstanding since the end of the fourth quarter of 2010. There has also been increased 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.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Zincore is a mineral exploration company and as such is not in commercial production at any of its mineral properties and, accordingly, it does not generate cash from operations. The Company intends to finance its activities by raising capital through the equity markets or asset divestitures. Management estimates that Zincore's current cash resources provide sufficient funding to maintain its key properties and fund the Company's activities in the near term as further described in the Outlook section. However, given the global geopolitical uncertainty and the specific factors disclosed under the heading "Risk Factors" and elsewhere in Zincore's AIF, there is no guarantee that the Company will be able to secure the funding necessary to complete its exploration objectives in the time frame discussed in this MD&A.

As at September 30, 2011, Zincore had working capital of $3,682,623 compared to $9,675,281 at December 31, 2010. Working capital consists of current assets less current liabilities. The working capital decrease was due to technical studies and drilling on the Accha Zinc Oxide District, drilling on the Dolores project, and general corporate activities both in Canada and Peru. These expenditures were partially offset by an equity financing completed in June 2011. Expenditures on the Accha Zinc Oxide District and Dolores property during the first three quarters of 2011 totalled $6,452,034 and $1,979,802 respectively, and were mostly related to drilling and technical studies. Also included in these costs were claim maintenance fees incurred in June 2011 totalling approximately $300,000. Expenditures on all the Company's projects totalled $8,656,289. The expenditures on other projects primarily related to community relations work on the Minasccasa project and exploration work done on the Gatineau project. Expenditures totalling $693,802 relating to the Gatineau project were written off at the end of the third quarter of 2011.

Zincore does not hold any asset-backed commercial paper and has current liabilities at the end of the third quarter of 2011 totalling $644,818. Accounts payable and accrued liabilities relate principally to trade payables.

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

	TOTAL	2011	2012	2013	2014	2015-2017
Operating lease obligations	$ 1,027,093	$ 42,009	$ 169,406	$ 172,146	$ 173,516	$ 470,016

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

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

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 SEPTEMBER 30, 2011	THREE MONTHS ENDED SEPTEMBER 30, 2010	NINE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2010
Remuneration paid to a company controlled by a director for contracting services	$ 87,376	$ 89,511	$ 260,085	$ 232,484
Amount paid to significant shareholder for services	–	237,134	–	334,237
Total	$ 87,376	$ 326,645	$ 260,085	$ 566,721

The remuneration of directors and key management personnel during the three and nine month periods ending September 30, 2011 is as follows:

	THREE MONTHS ENDED SEPTEMBER 30, 2011	THREE MONTHS ENDED SEPTEMBER 30, 2010	NINE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2010
Salaries and directors' fees [1]	$ 333,352	$ 313,338	$ 1,069,568	$ 870,483
Share-based payments [2]	75,105	66,823	301,539	281,428
Total	$ 408,457	$ 380,161	$ 1,371,107	$ 1,151,911

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

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

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, Zincore is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Zincore's financial instruments consist of cash and cash equivalents, advances and other receivables, and accounts payable. The Company has designated its cash and cash equivalents as financial assets at fair value through profit or loss, which are measured at fair value. Prepaids, advances and other receivables and other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable are classified as other financial liabilities, which are measured at amortized cost.

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

These unaudited condensed 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 is assured. The Company has incurred operating losses since inception and has no source of operating cash flow. Due to market fluctuations, inherent risks in the exploration industry, as well as political risk inherent to developing countries, there can be no assurance that management's future financing actions will be successful.

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

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

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

The policies applied in these condensed consolidated interim financial statements are based on IFRSs issued and outstanding as at November 3, 2011, the date the Board of Directors approved these condensed consolidated interim financial statements for issue.

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

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

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

- The recoverability of amounts receivable and prepayments which are included in the condensed consolidated interim statement of financial position;
- The carrying value of the short – term investments and the recoverability of the carrying value which are included in the condensed consolidated interim statement of financial position;
- Impairment of non-financial assets;

- The estimated useful lives of property, plant and equipment which are included in the condensed consolidated interim statement of financial position and the related depreciation included in the condensed consolidated statement of comprehensive loss;
- The inputs used in accounting for share-based compensation expense in the condensed consolidated interim statement of comprehensive loss;
- The provision for income taxes which is included in the condensed consolidation interim statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed consolidated interim statement of financial position at September 30, 2011; and
- The inputs used in determining the various commitments and contingencies accrued in the condensed consolidated interim statement of financial position.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The presentation currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency of Zincore and Polymex Resources Ltd. is the Canadian dollar. The functional currency of Nazca Minerals Ltd., Paracas Minerals Ltd., Wari Minerals Limited, Exploraciones Antacollo S.A.C., and Exploraciones Collasuyo S.A.C. is the United States dollar. The functional currency of Exploraciones y Metales del Centro SACV is the Mexican Peso. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21").

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

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

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION OF IFRS

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

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

Elections upon first time adoption of IFRS

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

- Business Combinations: In choosing to elect this exemption, the Company is not required to apply IFRS 3 Business Combinations retroactively to transactions that occurred prior to the date of transition to IFRS.

- Cumulative translation differences: Allows the Company to deem the cumulative translation difference at the date of transition to IFRS as zero.

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

- Foreign currency considerations: The Company has analyzed the functional currency under IAS 21. On assessment of primary indicators the Company has changed the functional currency of four of its group companies.

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

Reconciliations of GAAP to IFRS

- Reconciliation of Loss and Comprehensive Loss (unaudited) – table on p.16
- Reconciliation of Assets, Liabilities and Equity (Unaudited) – table on p.17
- Reconciliation of cash flows (unaudited) – table on p.18

RECONCILIATION OF STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

	GAAP THREE MONTHS ENDED SEPT. 30, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** THREE MONTHS ENDED SEPT. 30, 2010	**GAAP** NINE MONTHS ENDED SEPT. 30, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** NINE MONTHS ENDED SEPT 30, 2010	**GAAP** YEAR ENDED DECEMBER 31, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** YEAR ENDED DECEMBER 31, 2010
Expenses									
Salaries and benefits	$ 293,734	$ –	$ 293,734	$ 922,275	$ –	$ 922,275	$ 1,660,826	$ –	$ 1,660,826
General exploration	269,066	D (1,572)	267,494	664,082	D (15,994)	648,088	1,257,133	D (10,493)	1,246,640
Mineral property costs written off	–	–	–	–	–	–	889,613	D 8,227	897,840
Consulting and management fees	122,172	D (1,061)	121,111	391,251	D (657)	390,594	710,292	D (586)	709,706
Travel	53,608	D 1,616	55,224	177,776	D 2,652	180,428	252,045	D 2,828	254,873
Office expense	56,763	D (89)	56,674	191,749	D (139)	191,610	289,030	D (65)	288,965
Shareholder information	47,927	D (264)	47,663	201,619	D 31	201,650	236,667	D (101)	236,566
Legal and accounting	37,144	D (1,809)	35,335	118,918	D (2,577)	116,341	153,232	D (2,966)	150,266
Foreign exchange loss	42,209	D (33,280)	8,929	50,407	D (26,431)	23,976	98,576	D (55,087)	43,489
Loss on sale of property, plant and equipment	–	–	–	–	–	–	8,258	D (132)	8,126
Depreciation	1,484	–	1,484	4,234	–	4,234	6,039	–	6,039
Loss before undernoted item	(924,107)	36,459	(887,648)	(2,722,311)	43,115	(2,679,196)	(5,561,711)	58,375	(5,503,336)
Interest income	7,999	–	7,999	17,070	–	17,070	38,028	–	38,028
Loss before income taxes	(916,108)	36,459	(879,649)	(2,705,241)	43,115	(2,662,126)	(5,523,683)	58,375	(5,465,308)
Deferred income tax	–	–	–	–	–	–	171,000	–	171,000
Loss for period	(916,108)	36,459	(879,649)	(2,705,241)	43,115	(2,662,126)	(5,352,683)	58,375	(5,294,308)
Other comprehensive loss:									
Foreign currency translation differences in foreign operations	–	(570,620)	(570,620)	–	(306,585)	(306,585)	–	(983,726)	(983,726)
Total comprehensive loss	$ (916,108)	$ (534,161)	$ (1,450,269)	$ (2,705,241)	$ (263,470)	$ (2,968,711)	$ (5,352,683)	$ (925,351)	$ (6,278,034)

RECONCILIATION OF STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	GAAP JAN 1, 2010	EFFECT OF TRANSITION TO **IFRS**	**IFRS** JAN 1, 2010	**GAAP** SEPT 30, 2010		EFFECT OF TRANSITION TO **IFRS**	**IFRS** SEPT 30, 2010	**GAAP** DEC 31, 2010		EFFECT OF TRANSITION TO **IFRS**	**IFRS** DEC 31, 2010
Current assets											
Cash and cash equivalents	$ 4,869,057	$ –	$ 4,869,057	$ 2,862,790	D	$ (1,331)	$ 2,861,459	$ 10,302,647	D	$ (197)	$ 10,302,450
Prepaids, advances and other receivables	50,019	–	50,019	79,772	D	–	79,772	176,546	D	1	176,547
	4,919,076	–	4,919,076	2,942,562		(1,331)	2,941,231	10,479,193		(196)	10,478,997
Non-current assets											
Other assets	20,997	–	20,997	–		–	–	–		–	–
Exploration advances and other receivables	16,919	–	16,919	231,944		(965)	230,979	378,474	D	(28)	378,446
Property, plant, and equipment	80,954	–	80,954	111,439	D	(1,006)	110,433	149,288	D	(4,347)	144,941
Mineral properties	16,050,110	–	16,050,110	20,473,730	D	(264,737)	20,208,993	20,805,851	D	(925,269)	19,880,582
Deferred income tax	–	–	–	–		–	–	171,000		–	171,000
	16,168,980	–	16,168,980	20,817,113		(266,708)	20,550,405	21,504,613		(929,644)	20,574,969
Total Assets	$ 21,088,056	$ –	$ 21,088,056	$ 23,759,675		$ (268,039)	$ 23,491,636	$ 31,983,806		$ (929,840)	$ 31,053,966
Liabilities											
Current liabilities											
Accounts payable and accrued liabilities	$ 218,705	$ –	$ 218,705	$ 419,404	D,F	$ 35,432	$ 454,836	$ 768,204	D,F	$ 35,512	$ 803,716
Mineral property commitments	–	–	–	1,028,243		–	1,028,243	–		–	–
	218,705	–	218,705	1,447,647		35,432	1,483,079	768,204		35,512	803,716
Non-current liabilities											
Long term obligation	20,686	–	20,686	–		–	–	–		–	–
	20,686	–	20,686	–		–	–	–		–	–
Total Liabilities	239,391	–	239,391	1,447,647		35,432	1,483,079	768,204		35,512	803,716
Equity											
Share capital	29,993,077	–	29,993,077	33,255,899	F	(40,000)	33,215,899	43,926,388	F	(40,000)	43,886,388
Share based payment reserve	1,918,048	–	1,918,048	2,823,830		–	2,823,830	3,704,357		–	3,704,357
Foreign currency translation reserve	–	–	–	–	D	(306,585)	(306,585)	–	D	(983,726)	(983,726)
Deficit	(11,062,460)	–	(11,062,460)	(13,767,701)	D,F	43,114	(13,724,587)	(16,415,143)	D,F	58,374	(16,356,769)
	20,848,665	–	20,848,665	22,312,028		(303,471)	22,008,557	31,215,602		(965,352)	30,250,250
Total Equity and Liabilities	$ 21,088,056	$ –	$ 21,088,056	$ 23,759,675		$ (268,039)	$ 23,491,636	$ 31,983,806		$ (929,840)	$ 31,053,966

RECONCILIATION OF STATEMENTS OF CASH FLOWS (UNAUDITED)

	GAAP NINE MONTHS ENDED SEPT. 30, 2010		EFFECT OF TRANSITION TO IFRS	IFRS NINE MONTHS ENDED SEPT. 30, 2010	GAAP YEAR ENDED DECEMBER 31, 2010		EFFECT OF TRANSITION TO IFRS	IFRS YEAR ENDED DECEMBER 31, 2010
Operating Activities								
Loss before income taxes	$ (2,705,241)		$ 43,115	$ (2,662,126)	$ (5,523,683)		$ 58,375	$ (5,465,308)
Items not involving cash:								
Depreciation	4,234		–	4,234	6,039		–	6,039
Share-based compensation	401,380		–	401,380	773,367		–	773,367
Loss on sale of property, plant and equipment	–		–	–	8,258	D	(132)	8,126
Mineral property costs written off	–		–	–	889,613	D	8,227	897,840
Interest income	(17,070)		-	(17,070)	(38,028)		-	(38,028)
	(2,316,697)		43,115	(2,273,582)	(3,884,434)		66,470	(3,817,964)
Change in non-cash operating working capital items:								
Increase in prepaids, advances and other receivables	(8,756)	D	–	(8,756)	(105,530)		(1)	(105,531)
Increase in accounts payable and accrued liabilities	47,726	D	–	47,726	45,010		5	45,015
Cash used in operating activities	(2,277,727)		43,115	(2,234,612)	(3,944,954)		66,474	(3,878,480)
Investing Activities								
Additions to property, plant and equipment	(47,249)	D	106	(47,143)	(102,151)	D	693	(101,458)
Mineral property expenditures	(3,117,976)	D	(44,552)	(3,162,528)	(5,146,086)	D	(67,364)	(5,213,450)
Cash used in investing activities	(3,165,225)		(44,446)	(3,209,671)	(5,248,237)		(66,671)	(5,314,908)
Financing Activities								
Shares issued	3,427,224		–	3,427,224	14,606,253		–	14,606,253
Interest received	17,070		–	17,070	38,028		–	38,028
Cash provided by financing activities	3,444,294		–	3,444,294	14,644,281		–	14,644,281
Effects of exchange rate change on cash and cash equivalents held in a foreign currency	(7,609)		–	(7,609)	(17,500)		–	(17,500)
(Decrease) increase in cash and cash equivalents during the period	(2,006,267)		(1,331)	(2,007,598)	5,433,590		(197)	5,433,393
Cash and cash equivalents at beginning of period	4,869,057		–	4,869,057	4,869,057		–	4,869,057
Cash and cash equivalents at end of period	$ 2,862,790		$ (1,331)	$ 2,861,459	$ 10,302,647		$ (197)	$ 10,302,450
Issued 1,000,000 common shares pursuant to mineral properties agreement	$ 340,000		$ –	$ 340,000	$ 340,000		$ –	$ 340,000
Other assets reclassified to short-term	$ 20,997		$ –	$ 20,997	$ 20,997		$ –	$ 20,997
Obligation reclassified to short-term	$ (20,686)		$ –	$ (20,686)	$ (20,686)		$ –	$ (20,686)
Warrants issued	$ 506,902		$ –	$ 506,902	$ 1,019,542		$ –	$ 1,019,542

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2011 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

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

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

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

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

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

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

SHARE CAPITAL INFORMATION

As at the date of this MD&A, Zincore has an unlimited number of common shares authorized for issuance, with 164,305,075 common shares issued and outstanding.

As at the date of this MD&A, Zincore has 7,582,000 stock options outstanding with a weighted average exercise price of $0.38 per option. Of this total, 6,539,662 stock options are exercisable with a weighted average exercise price of $0.36. As well the Company has 17,893,286 warrants outstanding the details of which are as follows:

AMOUNT	EXERCISE PRICE	EXPIRY DATE
11,450,000	$ 0.40	JUNE 15, 2014
4,154,286	$ 0.45	JULY 5, 2012
1,602,000	$ 0.48	NOVEMBER 8, 2012
687,000	$ 0.41	DECEMBER 15, 2012
17,893,286		

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

DISCLOSURE CONTROLS AND PROCEDURES

As required by Multilateral Instrument 52-109, management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company, and internal control over financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company has a Disclosure and Stock Trading Policy and a Disclosure Committee in place to mitigate risks associated with the disclosure of inaccurate or incomplete information.

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

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

An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of December 31, 2010. Based upon the results of that evaluation, the Company's CEO and CFO have concluded that as of the end of the period covered by that evaluation, the Company's disclosure controls and procedures were effective in providing reasonable assurance that the material information relating to the Company was made known to them on a timely basis and was processed and disclosed within the appropriate reports and time periods.

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

There has been no change in the Company's internal control over financial reporting during the nine month period ended September 30, 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.