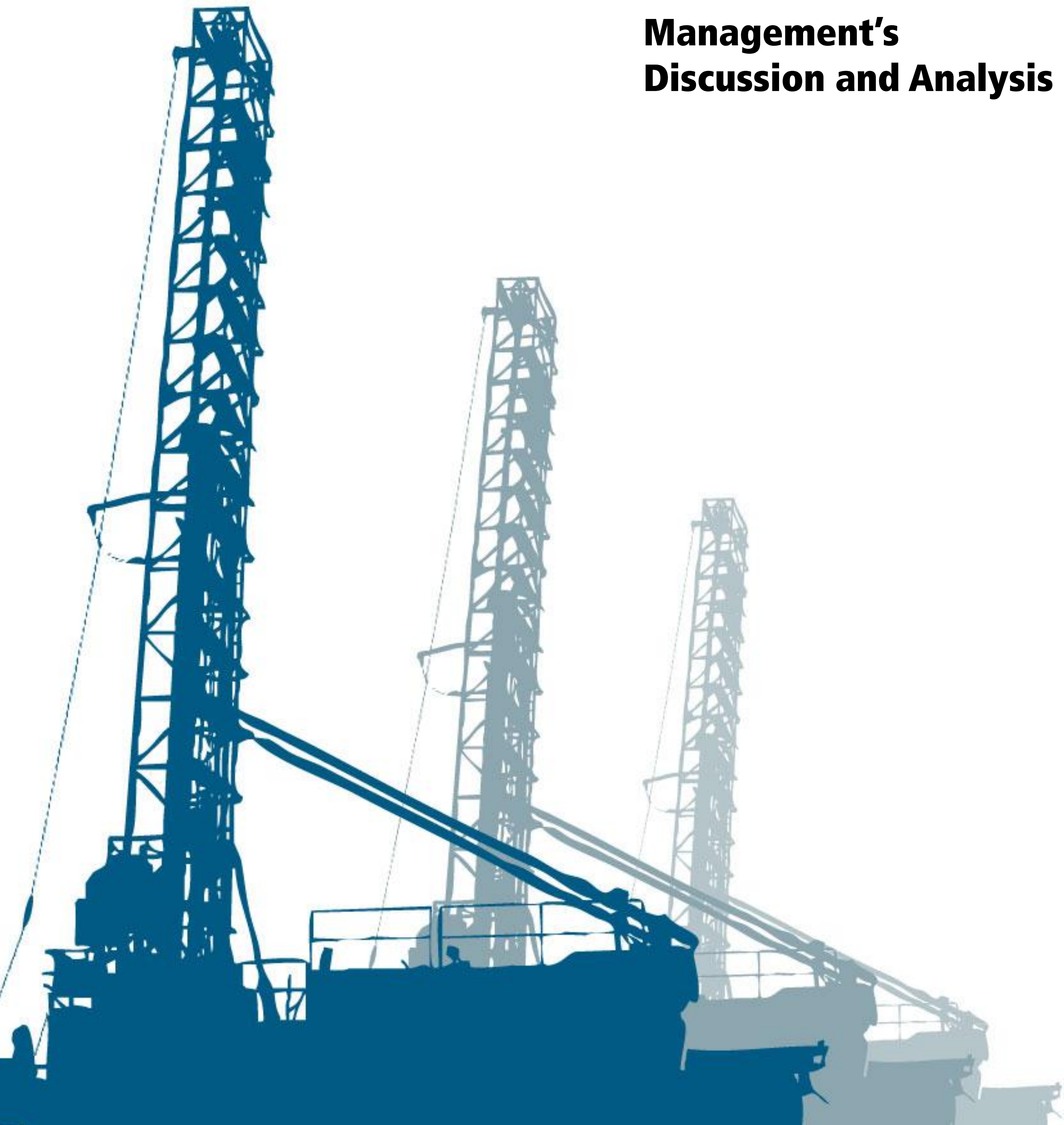
ZINCORE METALS INC.

For the Three and Six Months Ended
June 30, 2012 and 2011

Management's Discussion and Analysis



CONTENTS

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

For the Three and Six Months Ended June 30, 2012 and 2011 All figures in Canadian dollars unless otherwise noted

GENERAL

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries ("Zincore" or the "Company"), for the three and six month periods ended June 30, 2012 and 2011 is prepared as of August 2, 2012 and should be read in conjunction with the Company's unaudited interim financial statements for the three and six month periods ended June 30, 2012 and 2011 and the audited financial statements for the years ended December 31, 2011 and 2010 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All of these statements are available on the Company's website at www.zincoremetals.com or on the SEDAR website at www.sedar.com. Additional information relating to the Company, including its Annual Information Form ("AIF") dated March 19, 2012, 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

Except for statements of fact relating to certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", and other similar words, ore statements that certain events or conditions "may' or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating commodity prices, the possibility of project cost overruns, or unanticipated costs and expenses, uncertainties related to completion results of planned exploration and development programs on the Company's material properties, issuance of licenses and permits and the availability of and costs of financing needed in the future and other factors described under the heading "Risk Factors" and elsewhere in Zincore's AIF. Zincore does not assume the obligation to update any forward-looking statements other than as required pursuant to applicable securities laws.

OUTLOOK

The Company has completed two private placement equity financings so far in 2012 whereby it has raised gross proceeds of $9,227,775 by issuing a total of 46,138,874 common shares. The Company will use these proceeds for its prefeasibility study ("PFS") on the AZOD project, to commence a regional exploration program on its property portfolio, and for general corporate purposes. Although the Company has funds to pursue its current work plans, given the difficult equity market conditions, the Company continues to explore options to raise capital in the future when equity market valuations may be more favourable, and reduce its overhead costs. The Company has moved to smaller office space both in Peru and Canada in order to preserve capital.

The work on the PFS had been postponed since November 2011 until the company could secure the financial means to pursue the full scope of the work program. As a result of the successful completion of the equity financing in late March this year, work on the PFS has begun, The Company is now targeting completion of the PFS during the first half of 2013.

The Company has also entered into a strategic partnership with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum made an investment into the Company through one of the private placements discussed above, and can earn up to an 80% interest in the Company's Dolores copper-porphyry project by funding, in successive earn-in options, the advancement of the project through exploration, development and production. First Quantum currently owns approximately 19.9% of the Company's issued and outstanding common shares. The Company believes the benefits of this partnership to its shareholders are significant and extend beyond the Dolores project. The funds that First Quantum has invested in Zincore will allow the

Company to more actively pursue the PFS on the AZOD project. At the same time, funds are now available to explore the Dolores area, as well as the Company's other land package, much more aggressively than the Company could on its own. The Company is now in a better position to increase its project portfolio and deliver significant results for both its copper and zinc projects to the market sooner than it could without the help of its new strategic partner.

DESCRIPTION OF BUSINESS

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

Zincore's main activities are related to exploration, definition drilling and technical studies at its AZOD project in Peru, and initial exploration at its other properties to further assess potential and develop more detailed exploration programs.

OVERALL PERFORMANCE AND CURRENT ECONOMIC CONDITIONS

In stark contrast to the first quarter of 2012, The second quarter stock markets were negative almost across the board, with only a few exceptions. Large cap stocks continued to outperform small cap stocks in the second quarter with the S&P/TSX down almost 6.5%, compared to the S&P/TSX Small Cap index, which declined more than twice as much, losing almost 14% and the S&P/TSX Venture declining almost 24%. During the second quarter, Zincore's stock traded between $0.13 and $0.22 per share and closed the period at $0.16 after beginning at $0.22.

Given the global economic uncertainty and the potential ramifications for metal consumption, the spot market price for zinc in the second quarter was volatile, with a downward trend. It began the quarter at US$0.91/lb, and traded up to nearly US$0.93/lb and as low as US$0.80/lb before closing the period at US$0.85/lb.

On May 8, 2012, the Company entered into a strategic partnership with First Quantum. Under the terms of a Memorandum of Understanding ("MOU") a wholly-owned subsidiary of First Quantum made a strategic investment in the Company whereby it purchased, by way of a private placement, 19,113,874 common shares of the Company at a price $0.20 per share for gross proceeds totalling $3,822,775. Zincore will conduct a regional exploration program on its concessions using a minimum of 60% of these private placement funds, including a minimum of US$1 million in the 12 months following closing of the private placement. As well, First Quantum can earn up to an 80% interest in Zincore's Dolores copper porphyry project by funding the advancement of the project through exploration, and if warranted, development and production. Details of this earn-in agreement can be found below under the section "Property Review". The Company paid fees totalling $187,275 in connection to this private placement.

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

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

As at June 30, 2012, the Company had working capital, comprised of current assets less current liabilities, totaling $6,529,901.

RESULTS OF OPERATIONS

	THREE MONTHS ENDED JUNE 30, 2012	THREE MONTHS ENDED JUNE 30, 2011
Salaries and benefits	$ 194,362	$ 340,372
General exploration	$ 257,276	$ 464,484
Other general and administrative expenses	$ 308,795	$ 267,449
Consulting and management fees	$ 156,082	$ 166,106
Foreign exchange loss (gain)	$ 1,290	$ (3,090)
Depreciation	$ 2,163	$ 1,938
Mineral properties	$ 31,735,329	$ 25,829,796

General exploration expense was lower by approximately 45% during the three month period ending June 2012 when compared to the same period in 2011 reflecting lower administrative and non-property related exploration costs in Peru as the Company sought to preserve capital. In addition share-based compensation was lower as no stock options have been granted to date in 2012.

Salaries and benefits were lower by approximately 43% during the three month period ending June 30, 2012 when compared to the same period in 2011 due to staff cut backs and reductions in fees paid to the Company's Board of Directors. The cut backs have been the result of the difficult equity raising environment being currently experienced. The Company continues to investigate options for reducing costs.

Other general and administrative expenses were higher by approximately 15% during the three month period ending June 30, 2012 when compared to the same period in 2011 due to timing of legal and tax expenditures and higher shareholder information costs, partially offset by lower travel. Shareholder information costs increased due to an increase in fees from the Company's sponsor on the Lima Stock Exchange as well as an increase in activities as the Company continued to increase its exposure within the investment community.

Consulting and management fees were lower by approximately 6% during the three month period ending June 30, 2012 when compared to the same period in 2011 due to fewer consultants being engaged by the Company compared to the same period in 2011 as activity has reduced as well as lower share-based compensation.

As a result of share options vesting and the amortization of previous grants, during the three and six months ended June 30, 2012 the Company recognized $67,562 (June 30, 2011 – $169,487) and $188,186 (June 30, 2011 - $480,272) as share-based compensation expense and recorded this amount in share based payment reserve. These amounts were recorded as follows:

	THREE MONTHS ENDED JUNE 30, 2012	THREE MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2012	SIX MONTHS ENDED JUNE 30, 2011
Consulting and management fees	$ 5,375	$ 40,321	$ 15,050	$ 110,616
General exploration	13,813	89,749	40,911	244,420
Salaries and benefits	48,374	39,417	132,225	125,236
Total	$ 67,562	$ 169,487	$ 188,186	$ 480,272

There have been no share options granted during 2012. The amount expensed during the period represents the amortization of share-based compensation for grants issued in prior years. The value of the share options granted is determined using the Black-Scholes option pricing model. During the six months ended June 30, 2011 the weighted average grant-date fair value of $0.39 for each option granted was estimated using the following weighted average assumptions: no dividends are to be paid; volatility of 95%; risk free interest rate of 2.3%; and expected life of 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 June 30, 2012 the Company incurred a foreign exchange loss of $1,290 compared to a gain of $3,090 during the same period in 2011. Foreign exchange gains and losses result primarily from the translation of U.S. dollar and Peruvian nuevo sol denominated monetary assets and liabilities into Canadian and U.S. dollars, respectively.

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. The Company postponed prefeasibility work from November 2011 to March 2012 in order to conserve capital. However, as a result of the equity financing completed in March 2012, the Company has now resumed this work and is targeted to complete the PFS during the first half of 2013.

Preliminary Economic Assessment ("PEA")

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

HIGHLIGHTS FROM THE PEA INCLUDE:

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

Assumptions

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

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

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

In late June 2011, Zincore personnel initiated detailed mapping and trenching to the west of the area covered by the 2010 definition drilling program at Accha in an effort to continue following the northern limb zone intersected in last year's work. Several trenches on the interpreted northern limb extension of the deposit intersected outcrops of high grade reef mantos over several metres. The Company is confident that these outcrops represent a new zone lying above the main Accha deposit which opens up excellent exploration potential for increasing the overall size of the resources. Zincore is planning to implement a new exploration drilling program to test for continuity of this zone. The timing of this program is yet to be determined.

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 million tonnes with an average grade of 3.5% Zinc and 3.7% Lead within a Mineral Resource pit shell constructed considering a zinc price of US$ 1.08/lb zinc and US$ 1.00/lb lead. All of the resources are near surface and amenable to open pit mining. Mineral Resources were estimated by Chris Wright P.Geo. of AMEC, a qualified person as defined under NI 43-101, with an effective date of May 31, 2011. Mineral Resources for Yanque have been estimated according to the Best Practices guidelines adopted by the CIM and recognized in NI 43-101. The results of the 2011 definition drilling program at Yanque will be incorporated in the Prefeasibility Study for the AZOD project expected to be completed in 2013.

The 45 holes (totalling 6,527 metres) used for the resource estimate were drilled in 2008 when Zincore completed a first phase drilling program. The PAH resource estimate, estimated that Yanque contains 10.3 million tonnes of near surface zinc and lead oxide inferred mineral resources grading 5.3% zinc and 5.3% lead. Zincore commenced a Yanque definition drilling program in early 2011. On March 23, 2011, the Company announced assay results from the first ten diamond drill holes of in-fill definition drilling at its Yanque project. Highlights from these ten holes include: 98.61 g/tonne silver and 13.64% zinc equivalent over 13.0 metres and 32.72 g/tonne silver and 9.14% zinc equivalent over 4.0 metres in hole YA-49; 25.46% zinc equivalent over 12.0 metres in hole YA-52; 11.94% zinc equivalent over 11.0 metres and 10.53% zinc equivalents over 7.0 metres in hole YA-54; 11.53% zinc equivalent over 6.0 metres in hole YA-48 and 7.39% zinc equivalent over 54.6 metres in hole YA-54.

On May 19, 2011, the company announced assay results from sixteen additional holes. Highlights from these holes included: 18.89% zinc equivalent over 5.0 metres and 7.92% zinc equivalent and 38.2 g/tonne Ag over 12.0 metres in hole YA-70; 15.62% zinc equivalent over 5 metres in hole YA-61; 13.95% zinc equivalent over 6.0 metres in hole YA-67; 10.83% zinc equivalent over 10.0 metres in hole YA-64; 10.22% zinc equivalent over 6.5 metres in hole YA-56 and 6.02% zinc equivalent and 21.4 g/tonne silver over 10.5 metres in hole YA-63.

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

On November 23, 2011, the company released the results from the last thirty-eight holes from the definition drilling program. Highlights of these holes include: 18.53% Zinc equivalent over 9.0 metres in hole YA-126, 13.54% zinc equivalent over 11.0 metres in hole YA-94, 13.04% zinc equivalent over 10.5 metres in hole YA-97, 12.55% zinc equivalent over 19 metres in hole YA-96, 12.94% zinc equivalent over 6.0 metres in hole YA-105, 12.63% zinc equivalent over 7.0 metres in hole YA-104 and 11.18% zinc equivalent over 7.0 metres in hole YA-128.

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

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.

In July 2012 Zincore entered into two separate contracts with Mintek in South Africa and IMN Gliwice in Poland in order to perform the metallurgical test work for the PFS. Representative samples have been sent to both locations and testing will begin shortly.

Other Accha Zinc Oxide District Prospects

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

The Gema Properties are located adjacent to Zincore's Yanque Project; the main Gema prospect is nine kilometres northwest of Yanque. Gema is hosted in the same oxidized limestones as Yanque, with mineralized gossans that outcrop sporadically. There is no evidence of previous exploration other than small pits by artisanal miners. Several mineralized mantos have been identified in three separate areas of concentration, along strike over a distance of more than one kilometre. The mantos average between one and four metres in width and contain anomalous values of lead, zinc, silver and locally gold. A two metre channel sample collected by Zincore personnel from one of the mantos returned values of 0.7 g/t gold, 189g/t silver, 8.38% lead and 1.16% zinc.

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.

The Company recently obtained a one year extension to the option agreement that will give time to complete the ongoing discussions with community leaders and carry out the planned exploration program.

Dolores

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

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

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

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

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

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

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

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

The Company also discovered high grade copper mineralization during surface exploration work on the Dolores project. The latest surface sample results, from three separate areas, reported in May 2012, include evidence of a new skarn area with samples of up to 3.35% and 3.11% copper. All three areas are located between 1.5 to 2 kilometres south of holes DOL – 9 and DOL – 10.

These results have provided further evidence that as the Company explores further south of the currently drilled areas it continues to see higher grades of copper mineralization. This suggests the Company is vectoring into the heart of the mineralized porphyry. The Company has worked to extend the geological mapping and sampling south of the currently drilled area and the results to date confirm that the altered and mineralized porphyry extends to the south from one to two kilometres and possibly further.

On May 8, 2012, the Company entered into a strategic partnership with First Quantum. Under the terms of an MOU, First Quantum can earn up to an 80% interest in Zincore's Dolores copper porphyry project by funding the advancement of the project through exploration, and if warranted, development and production. Details of the funding/earn-in structure are as follows:

- First and Second Earn-Ins: First Quantum commits to spend US$3 million at Dolores within one year of signing a formal agreement (the "Formal Agreement Date") to earn an unvested 30% interest in Dolores
    - 30% interest will vest if First Quantum provides written notice (the "Vesting Notice") within 60 days of the first anniversary of the Formal Agreement Date that it will commit to spend an additional US$5 million (the "Second Earn-In") within 18 months of the Vesting Notice. After the additional US $5 million is spent, First Quantum will have earned a 50.1% interest in the Dolores project.
    - Zincore will be the operator until First Quantum has fulfilled the requirements of the Second Earn-In with oversight from First Quantum by way of a technical committee.
- Third Earn-In: First Quantum can earn an additional 9.9% in Dolores by producing a NI-43-101 compliant Indicated resource estimate (and associated technical report) of more than one million tonnes of contained copper at a 0.20% cut-off grade within three years following the Vesting Notice.
- Fourth Earn-In: First Quantum will have the option to earn an additional 10% of Dolores by providing within four years of the Vesting Notice studies in sufficient detail that under industry customs a fully informed construction decision can be made.

- Fifth earn-In: First Quantum can acquire an additional 10% interest in Dolores provided that commercial production at Dolores commences within 96 months of the Formal Agreement Date. First Quantum will be responsible for funding all costs associated with construction of a mine and bringing the Dolores Area to commercial production including Zincore`s share of capital expenditures for construction.

Minasccasa

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

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 six month periods ended June 30, 2012 and 2011 and the audited consolidated financial statements for the years ended December 31, 2011 and 2010.

FISCAL QUARTER ENDED	JUNE 30, 2012 (IFRS)	MAR 31, 2012 (IFRS)	DEC 31, 2011 (IFRS)	SEPT 30, 2011 (IFRS)	JUN 30, 2011 (IFRS)	MAR 31, 2011 (IFRS)	DEC 31, 2010 (RESTATED IFRS)	SEP 30, 2010 (RESTATED IFRS)
Interest and other income	$ 9,992	$ 5,858	$ 11,780	$ 13,764	$ 11,023	$ 22,855	$ 20,958	$ 7,999
Net loss	$ (909,976)	$ (800,774)	$ (1,845,193)	$ (1,749,851)	$ (1,226,236)	$ (1,815,808)	$ (2,632,182)	$ (879,649)
Net loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Total assets	$ 38,972,688	$ 35,471,610	$ 32,230,214	$ 34,006,278	$ 33,627,372	$ 29,255,146	$ 31,053,966	$ 23,491,636
Total liabilities	$ 548,405	$ 497,948	$ 1,067,376	$ 644,818	$ 767,194	$ 1,009,996	$ 803,716	$ 1,483,079

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 impairments, share-based compensation expense, foreign exchange gains or losses, and general exploration expense.

During the first quarter of 2012, the Company was in the process of downsizing in order to preserve capital and streamline operations. Net loss during the second quarter of 2012 was higher than in the first quarter of that year as a result of higher legal and tax costs, increased Lima Stock Exchange fees, and continued efforts to introduce the Company to the investment community. During the third quarter of 2011, the Company wrote off mineral property expenditures totalling $693,802 relating to the Gatineau project. During the second quarter of 2011, the Company recorded $169,487 in share-based compensation and $159,000 in exploration costs on the Sajapampa project that had been previously impaired in the fourth quarter of 2010. During the first quarter of 2011, the Company recorded $310,785 in share-based compensation and $247,000 in exploration costs on the Sajapampa project. There were also recruiting fees for the hiring of key personnel in Peru and the first quarter of 2011 expenditures also reflect salary raises given to key personnel in 2010 and income tax expense of $131,000 due to the renunciation of expenditures as a result of a flow through financing done in March 2010. During the fourth quarter of 2010, the Company expensed mineral property costs of $897,840 relating to previously capitalized 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 first and second quarters of 2012, second quarter of 2011, fourth quarter of 2010, and the third quarter of 2010, increased primarily as a result of equity financings. There has also been significant 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. There was a decrease in total assets during the fourth quarter of 2011 primarily due to the decrease in the value of the US dollar and the resulting translation of the Company's assets to Canadian dollars which is the Company's presentation currency.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Zincore is a mineral exploration company and as such is not in commercial production at any of its mineral properties and, accordingly, it does not generate cash from operations. Zincore will need to raise additional funds through future issuance of securities. Although Zincore has been successful in raising funds in the past, there can be no assurance Zincore will be able to raise sufficient funds in the future, in which case Zincore may be unable to meet its obligations as they come due in the normal course of business. Zincore has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if Zincore will attain a profitable level of operations. Since inception, Zincore has incurred cumulative losses of $24,704,607 as at June 30, 2012 and a total comprehensive loss for the six months ended June 30, 2012 of $1,637,369. These factors may cast significant doubt regarding Zincore's ability to continue as a going concern. Should Zincore be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position.

On May 10, 2012, First Quantum purchased, by way of a private placement, 19,113,874 common shares of the Company at a price $0.20 per share for gross proceeds totalling $3,822,775. Zincore will conduct a regional exploration program on its concessions using a minimum of 60% of these private placement funds, including a minimum of US$1 million in the 12 months following closing of the private placement. The rest of the funds will be used for general corporate purposes. The Company paid fees totalling $187,275 in connection to this private placement. As at June 30, 2012, approximately $222,000 has been spent on exploration and $187,275 on share issue costs.

On March 16, 2012, the Company raised, by way of a non-brokered private placement, gross proceeds totalling $5,405,000 by issuing 27,025,000 units at $0.20 per unit. Each unit consisted of one common share and one-half common share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share at $0.30 for up to 2 years. These warrants were valued at $1,475,375 by using the Black-Scholes options pricing model assuming no dividends are to be paid, volatility of 89%; risk free interest rate of 1.12%; and an estimated life of 2 years. The Company paid fees totalling $378,514 in connection to this private placement. These proceeds will be used to fund the PFS on the AZOD property, exploration on the Dolores property, and general corporate purposes. As at June 30, 2012, approximately $1.0 million has been spent on the PFS, and exploration on the AZOD and Dolores properties, and approximately $900,000 and $400,000 has been spent on general corporate activities and share issue costs, respectively.

As at June 30, 2012, Zincore had working capital of $6,529,901 compared to $1,040,164 at December 31, 2011. Working capital consists of current assets less current liabilities. The working capital increase was due to the equity financings completed in March and May 2012, partially offset by technical studies, sampling, and camp maintenance on the Accha Zinc Oxide District, trenching and sampling on the Dolores project, and general corporate activities both in Canada and Peru. Expenditures on the Accha Zinc Oxide District and Dolores property during the first six months of 2012 totalled $1,460,057 and $368,117 respectively. Expenditures on the Accha Zinc Oxide District included PFS costs totalling $213,253. Expenditures on all the Company's projects totalled $1,867,962. The Company anticipates the rate expenditures on the Accha Zinc Oxide District to increase as the PFS continues throughout the rest of the year, while the rate of expenditures on the Dolores project will significantly decrease as First Quantum will be funding after the signing of the formal agreement described above.

Zincore does not hold any asset-backed commercial paper and has current liabilities as at June 30, 2012 totalling $548,405. Accounts payable and accrued liabilities relates principally to trade payables.

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

	TOTAL	2012	2013	2014	2015	2016-2017
Operating lease obligations	$ 901,066	$ 85,388	$ 172,146	$ 173,516	$ 176,256	$ 293,760

In March 2012 the Company signed an agreement to sublease its current office space until September 2017 which will enable it to fully offset the remaining commitment relating to its operating lease obligations.

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. Details of these related party transactions are as follows:

	THREE MONTHS ENDED JUNE 30, 2012	THREE MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2012	SIX MONTHS ENDED JUNE 30, 2011
Remuneration paid to a company controlled by a director for contracting services	$ 142,455	$ 87,164	$ 199,800	$ 173,192

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates are disclosed in notes 2(o) and 2(p) to the Company's audited consolidated financial statements for the years ended December 31, 2011 and 2010. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of prepaids, exploration advances, and receivables which are included in the consolidated statements of financial position;
- the carrying value of the short – term investments and the recoverability of the carrying value which are included in the consolidated statements of financial position;
- impairment of non-financial assets;
- the estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of comprehensive loss;
- the inputs used in accounting for share-based compensation expense in the consolidated statements of comprehensive loss;
- the provision for income taxes which is included in the consolidated statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the consolidated statement of financial position at June 30, 2012; and
- the inputs used in determining the various commitments and contingencies accrued in the consolidated statements of financial position.

CHANGES IN ACCOUNTING POLICIES

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2012 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

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

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

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

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

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

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

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

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

SHARE CAPITAL INFORMATION

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

As at the date of this MD&A, Zincore has 8,699,998 stock options outstanding with a weighted average exercise price of $0.33 per option. Of this total, 7,849,997 stock options are exercisable with a weighted average exercise price of $0.34. As well the Company has 27,251,500 warrants outstanding the details of which are as follows:

AMOUNT	EXERCISE PRICE		EXPIRY DATE
13,512,500	$	0.30	MARCH 16, 2014
11,450,000	$	0.40	JUNE 15, 2014
1,602,000	$	0.48	NOVEMBER 8, 2012
687,000	$	0.41	DECEMBER 15, 2012
27,251,500			

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

DISCLOSURE CONTROLS AND PROCEDURES

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

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

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

An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of December 31, 2011. Based upon the results of that evaluation, the Company's CEO and CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective in providing reasonable assurance that the material information relating to the Company was made known to them on a timely basis and was processed and disclosed within the appropriate reports and time periods.

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

There has been no change in the Company's internal control over financial reporting during the six month period ended June 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.