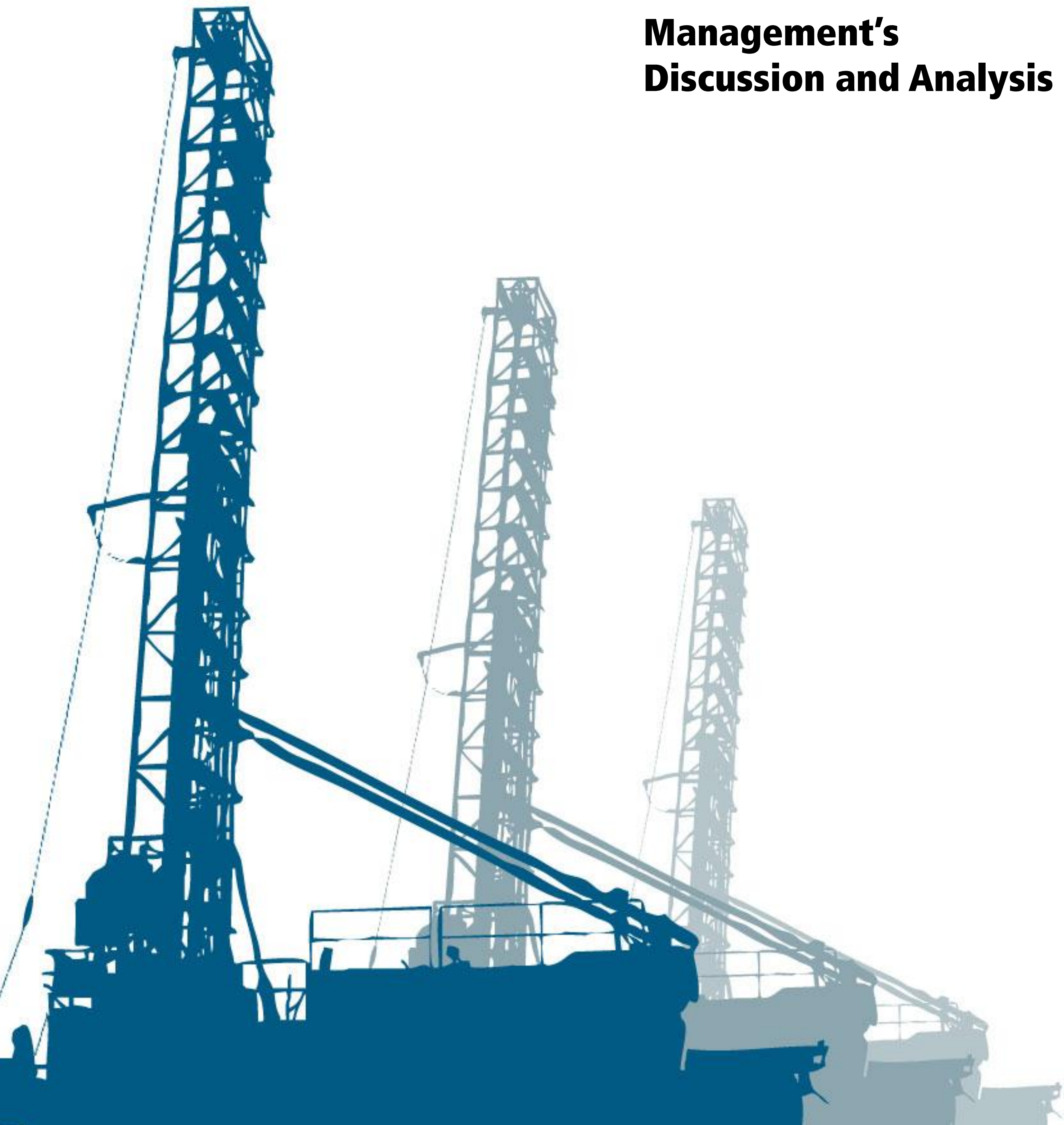
ZINCORE METALS INC.

For the Three and Nine Months Ended
September 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 Nine Months Ended September 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 nine month periods ended September 30, 2012 and 2011 is prepared as of November 1, 2012 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 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

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

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

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

OUTLOOK

The Company 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 PFS on the AZOD project, exploration of the Dolores property, 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 and reduce its overhead costs. The Company has moved to smaller office space both in Peru and Canada in order to preserve capital.

As a result of the successful completion of the equity financings this year, work on the PFS relating to the AZOD project began during the second quarter of 2012. Metallurgical test work in under way in labs in Poland and South Africa, and a geotechnical drilling program is near completion. 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 Polymex Resources Ltd. (a currently 100% owned subsidiary of Zincore) ("Polymex"), which indirectly controls the Dolores copper-porphyry project, by funding, in successive earn-in options, the advancement of the project through exploration, development and production. First Quantum currently owns approximately 19.9% of the Company's issued and outstanding common shares. The Company believes the benefits of this partnership to its shareholders are significant and extend beyond the Dolores project. The funds that First Quantum has invested in Zincore 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. A drill program that will be fully funded by First Quantum as part of the earn-in agreement commenced during the third quarter of 2012. The plan is to complete 5,400 metres of drilling in 2012 with an additional 2,100 metres being completed as soon as possible in 2013.

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

Although tumultuous, the third quarter of 2012 marked a return to positive returns for most global equity markets, with the major exception being the Shanghai Index in China. Keeping with the year's theme of reversal, smaller cap stocks outperformed those of larger companies in the third quarter, with the S&P/TSX Venture up over 12%, the S&P/TSX Small-Cap Index gaining a little over 7.5% and the S&P/TSX adding a little over 6%. In such an environment, Zincore stock was volatile, trading between C$0.115 and C$0.19, closing the period at C$0.175 after opening the quarter at C$0.16 for a gain of 9%.

Global economic uncertainty continued in the third quarter of 2012 with metals market participants swinging from the doom of a slowdown in China to a euphoric rally touched off by coordinated stimulus from the world's major central banks. After opening the quarter at U$0.85/lb, and trading as low as U$0.80/lb, zinc closed near a quarter high at U$0.94/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$1.0 million in the 12 months following closing of the private placement. As at September 30, 2012, the Company has spent approximately $401,000 on the regional exploration program. As well, First Quantum can earn up to an 80% interest in Zincore's Dolores copper porphyry project by funding the advancement of the project through exploration, and if warranted, development and production. Details of this earn-in agreement can be found below under the section "Property Review". The Company paid fees totalling $192,175 in connection 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. A new drill program commenced during the third quarter of 2012 which will be fully funded by First Quantum as part of the earn-in agreement.

As at September 30, 2012, the Company had working capital, comprised of current assets less current liabilities, totaling $3,744,258.

RESULTS OF OPERATIONS

	THREE MONTHS ENDED SEPTEMBER 30, 2012	THREE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2012	NINE MONTHS ENDED SEPTEMBER 30, 2011
Salaries and benefits	$ 171,874	$ 295,580	$ 612,761	$ 968,777
General exploration	$ 199,032	$ 272,817	$ 694,811	$ 1,505,815
Other general and administrative expenses	$ 203,203	$ 303,592	$ 716,064	$ 968,998
Consulting and management fees	$ 386,649	$ 188,935	$ 655,784	$ 541,365
Foreign exchange loss	$ 3,189	$ 6,969	$ 7,015	$ 23,979
Impairment of mineral property	$ -	$ 693,802	$ -	$ 693,802
Depreciation	$ 2,018	$ 1,920	$ 6,130	$ 5,801

General exploration expense was lower by approximately 27% during the three month period ending September 30, 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. The reduction of 54% in this expense during the nine month period ended September 30, 2012 compared to the same period in 2011 was primarily the result of exploration expenses on the Sajapampa property in early 2011, which were incurred before the decision was made to write off the property during the year ended December 31, 2010.

Salaries and benefits were lower by approximately 42% and 37% during the three and nine month period ending September 30, 2012, respectively, when compared to the same periods 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. Share-based compensation is also lower due to no stock options having been granted in 2012.

During the three and nine month periods ending September 30, 2011, the Company wrote off mineral exploration expenditures totalling $693,802 relating to the Gatineau project in Quebec.

Other general and administrative expenses were lower by approximately 33% and 26% during the three and nine month periods ending September 30, 2012, respectively, when compared to the same periods in 2011 primarily due to office space and staffing reductions at the Company's corporate office . Travel and shareholder information costs were also lower during the quarter compared to same quarter in 2011 due to timing of investor relation activities and a conscious effort by management to keep costs to a minimum.

Consulting and management fees were significantly higher by approximately 105% and 21% during the three and nine month period ending September 30, 2012, respectively, when compared to the same periods in 2011 primarily due to financial advisory costs totaling $250,220 relating to the strategic partnership arrangement with First Quantum during the third quarter of 2012. This was partially offset by a reduction in the number consultants being engaged by the Company compared to the same period in 2011, as well as lower share-based compensation.

As a result of share options vesting and the amortization of previous grants, during the three and nine months ended September 30, 2012 the Company recognized $41,118 (September 30, 2011 – $107,736) and $229,304 (September 30, 2011 - $588,008) 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, 2012	THREE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2012	NINE MONTHS ENDED SEPTEMBER 30, 2011
Consulting and management fees	$ 3,225	$ 3,650	$ 18,275	$ 114,266
General exploration	8,869	34,208	49,780	278,628
Salaries and benefits	29,024	69,878	161,249	195,114
Total	$ 41,118	$ 107,736	$ 229,304	$ 588,008

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 nine months ended September 30, 2011 the weighted average grant-date fair value of $0.30 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 2.0%; 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 and nine month periods ending September 30, 2012 the Company incurred foreign exchange losses of $3,189 and $7,015, respectively compared to $6,969 and $23,979 during the same periods 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 October 2011 the Company received a Preliminary Economic Assessment (“PEA”) relating to the AZOD, prepared by AMEC, which is the first third party validation of the economics of this project as a mining operation.

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

Pre-feasibility Study ("PFS")

Amec has been retained to perform the PFS. Work started in earnest during the second quarter of 2012 and has been progressing steadily. A geotechnical drilling program was complete on the Accha section of the district. A similar program is underway in the Yanque section and is scheduled to be completed in the fourth quarter of 2012. As well, metallurgical samples have been sent to laboratories in South Africa and Poland. Work on these samples will be completed during the fourth quarter of 2012 with the final results expected to be received early in 2013. As well, a study had been commissioned that will be performed by Thyssen Krupp in Germany, to optimize the Waelz Kiln specifications for the proposed pyro-metallurgical plant.

Work will continue on the PFS though 2012 and into 2013 with a completion date being estimated to be late in the first quarter of 2013 with the results being published in a National Instrument 43-101 Technical Report within 45 days thereafter.

Accha Resources

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

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

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

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

As part of the PFS, during the third quarter of 2012, a geotechnical drilling program was executed which included drilling 600 metres distributed in six drill holes four of which were located in the future open pit and two in the dump.

Yanque Resource Estimate

A resource estimate for the Yanque deposit was prepared by AMEC as part of the PEA. This estimate comprises 45 holes previously drilled by Zincore (21 of which provided the basis for a mineral resource estimate prepared by Pincock, Allen & Holt ("PAH"), which Zincore announced on March 3, 2008) but does not include the results of a 2011 definition drilling program. The Inferred Mineral Resource estimate for the Yanque deposit consists of 12.5 million tonnes with an average grade of 3.5% Zinc and 3.7% Lead within a Mineral Resource pit shell constructed considering a zinc price of US$ 1.08/lb zinc and US$ 1.00/lb lead. All of the resources are near surface and amenable to open pit mining. Mineral Resources were estimated by Chris Wright P.Geo. of AMEC, a qualified person as defined under NI 43-101, with an effective date of May 31, 2011. Mineral Resources for Yanque have been estimated according to the Best Practices guidelines adopted by the CIM and recognized in NI 43-101. The results of the 2011 definition drilling program at Yanque will be incorporated in the PFS for the AZOD project expected to be completed in 2013.

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

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

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

On November 23, 2011, the company released the results from the last thirty-eight holes from the definition drilling program. Highlights of these holes include: 18.53% Zinc equivalent over 9.0 metres in hole YA-126, 13.54% zinc equivalent over 11.0 metres in hole YA-94, 13.04% zinc equivalent over 10.5 metres in hole YA-97, 12.55% zinc equivalent over 19.0 metres in hole YA-96, 12.94% zinc equivalent over 6.0 metres in hole YA-105, 12.63% zinc equivalent over 7.0 metres in hole YA-104 and 11.18% zinc equivalent over 7.0 metres in hole YA-128.

The results of the Yanque definition drilling program were very encouraging. A new up-graded resource estimate for Yanque is currently being calculated by AMEC and will be part of the PFS.

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

On September 21, 2012, a geotechnical drilling program for the PFS commenced. To date the Company has drilled 230 metres of the 990 metres contemplated in the program.

Metallurgy

Since the end of 2009, the Company has successfully investigated and tested metallurgical treatment procedures that achieve high metal recoveries. Zincore thereby proposed a central processing facility to treat all the mineral resources from the District. Laboratory testing during 2010 of a reductive roasting technology (Waelz Kiln) returned positive results of 97% zinc extraction from Accha and 76% zinc extraction from Yanque. The test work was carried out at the Mintek Research Facility in South Africa, under the supervision of Metallicon Process Consulting ("Metallicon"). The Company then decided to pilot test larger samples. A ten tonne representative sample from the Accha deposit was tested, with positive results, under the supervision of Metallicon and Hatch, at the CPSA plant located in Pacasmayo, Peru. For a head grade of 10.3% zinc and 1.1% lead, recoveries were in excess of 92% zinc and 99% lead which produced a calcine concentrate with grades greater than 65% zinc and 7% lead. A ten tonne representative sample from the Yanque deposit was collected and sent to the CPSA plant for testing under the same control conditions as Accha. For a head grade of 10.7% zinc and 1.8% lead, recoveries were in excess of 93% zinc and 98% lead which produced a calcine concentrate with grades greater than 61% zinc and 11% lead.

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

In July 2012 Zincore entered into two separate contracts with Mintek in South Africa and IMN Gliwice in Poland in order to perform the metallurgical test work for the PFS. Representative samples have been sent to both locations. Parameter testing has been concluded and currently final pilot testing is underway. All final results for all metallurgical work is hoped to be received by early January 2013.

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.

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

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 1.5 kilometres and possibly further.

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

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

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

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

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

and bringing the Dolores Area to commercial production including Zincore`s share of capital expenditures for construction. Zincore will repay its portion of the construction cost from 70% of its portion of the available cash flow from the project.

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

The Company paid $250,220 in financial advisory fees related to this agreement and recorded this amount under consulting and management fees in the Condensed Consolidated Interim Statement of Comprehensive Loss.

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

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

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

In September 2012 a 7,500 metre second drill program commenced. The first hole, DOL-11, which cut approximately 250 metres of mineralization, was concluded in early October 2012. Currently Dol-12 and Dol-13 are being drilled, and a third machine will start drilling in early November 2012.

Fugro Ground Geophysics PTY Ltd, has been retained to carry out the extension to the south of the ground IP and magnetometric survey, which consists of 17 mag line-km and 28 IP line-km, with a separation of 250 metres between each line. The Mag work has been completed, and we expect to finish the IP survey at the end of October 2012.

In late September 2012 New Sense Geophysics Ltd started work on an airborne spectrometric and magnetometric survey, consisting of 4800 line-km covering all properties of Dolores project.

Minasccasa

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

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

QUARTERLY FINANCIAL INFORMATION

This selected consolidated financial data should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2012 and 2011 and the audited consolidated financial statements for the years ended December 31, 2011 and 2010.

FISCAL QUARTER ENDED	SEPT 30, 2012 (IFRS)	JUNE 30, 2012 (IFRS)	MAR 31, 2012 (IFRS)	DEC 31, 2011 (IFRS)	SEPT 30, 2011 (IFRS)	JUN 30, 2011 (IFRS)	MAR 31, 2011 (IFRS)	DEC 31, 2010 (IFRS)
Interest and other income	$ 15,704	$ 9,992	$ 5,858	$ 11,780	$ 13,764	$ 11,023	$ 22,855	$ 20,958
Net loss	$ (950,261)	$ (909,976)	$ (800,774)	$ (1,845,193)	$ (1,749,851)	$ (1,226,236)	$ (1,815,808)	$ (2,632,182)
Net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Total assets	$ 37,079,823	$ 38,972,688	$ 35,471,610	$ 32,230,214	$ 34,006,278	$ 33,627,372	$ 29,255,146	$ 31,053,966
Total liabilities	$ 793,254	$ 548,405	$ 497,948	$ 1,067,376	$ 644,818	$ 767,194	$ 1,009,996	$ 803,716

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.

Costs were generally lower in the third quarter of 2012 than in the second quarter of the same year, however a large financial advisory fee relating to the joint venture agreement with First Quantum resulted in the net loss being comparable between the two periods. Net loss during the second quarter of 2012 was higher than in the first quarter of that year as a result of higher legal and tax costs, increased Lima Stock Exchange fees, and continued efforts to introduce the Company to the investment community. During the first quarter of 2012, the Company was in the process of downsizing in order to preserve capital and streamline operations. 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, and fourth 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, third quarter of 2012, and first quarter of 2011 primarily due to the decrease in the value of the US dollar and the resulting translation of the Company's assets to Canadian dollars which is the Company's presentation currency.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Zincore is a mineral exploration company and as such is not in commercial production at any of its mineral properties and, accordingly, it does not generate cash from operations. Zincore will need to raise additional funds through future issuance of securities. Although Zincore has been successful in raising funds in the past, there can be no assurance Zincore will be able to raise sufficient funds in the future, in which case Zincore may be unable to meet its obligations as they come due in the normal course of business. Zincore has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if Zincore will attain a profitable level of operations. Since inception, Zincore has incurred cumulative losses of $25,654,868 as at September 30, 2012 and a total comprehensive loss for the nine months ended September 30, 2012 of $3,762,659. 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$1.0 million in the 12 months following closing of the private placement. The rest of the funds will be used for general corporate purposes. As at September 30, 2012, approximately $401,000 has been spent on the regional exploration program and $192,175 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 September 30, 2012, approximately $2.3 million has been spent on the PFS, and exploration on the AZOD and Dolores properties, and approximately $1.8 million and $400,000 has been spent on general corporate activities and share issue costs, respectively.

As at September 30, 2012, Zincore had working capital of $3,744,258 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. As well, the Company received US $618,000 from First Quantum as the first installment of the first year earn in relating to the Dolores joint venture. Expenditures on the Accha Zinc Oxide District and Dolores property during the first nine months of 2012 totalled $3,073,157 and $569,379 (net of the $603,292 received from First Quantum pursuant to the joint venture agreement), respectively. Expenditures on the Accha Zinc Oxide District included PFS costs totalling $1,182,261. Drilling commenced on the Dolores project during the third quarter of 2012 and costs related to that activity totalled $448,683. Drilling on the Dolores project is expected to continue throughout the rest of 2012 and will be funded by First Quantum. Net expenditures on all the Company's projects for the nine month period ended on September 30, 2012 totalled $3,699,969. The Company anticipates the rate expenditures on the Accha Zinc Oxide District to increase as the PFS continues throughout the rest of the year. Zincore does not hold any asset-backed commercial paper and has current liabilities as at September 30, 2012 totalling $744,612. Accounts payable and accrued liabilities relates principally to trade payables.

The Company has recorded the Canadian equivalent of the US $618,000 ($603,292 in Canadian dollars) advanced by First Quantum relating to the Dolores joint venture as a credit to mineral properties.

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	$ 858,715	$ 43,037	$ 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. The agreement became effective on April 15, 2012. Pursuant to that agreement the Company collected a three month damage deposit totalling $48,642 and recorded it as a long-term obligation.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not utilize off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

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

	THREE MONTHS ENDED SEPTEMBER 30, 2012	THREE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2012	NINE MONTHS ENDED SEPTEMBER 30, 2011
Remuneration paid to a company controlled by a director for contracting services	$ 97,084	$ 87,376	$ 296,884	$ 260,085

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 September 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 September 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 8,599,998 stock options outstanding with a weighted average exercise price of $0.33 per option. Of this total, 7,749,997 stock options are exercisable with a weighted average exercise price of $0.33. 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 nine month period ended September 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.