ZINCORE METALS INC.

For the Three Months Ended March 31, 2015 and 2014

Condensed Consolidated Interim Financial Statements

CONTENT

NOTICE TO READER

These condensed consolidated interim financial statements of Zincore Metals Inc. have been prepared by management, reviewed by the Audit Committee, and approved and authorized for issue by the Board of Directors of the Company on May 22, 2015. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

IN CANADIAN DOLLARS

As at	MARCH 31, 2015	DECEMBER 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 11,035	$ 7,976
Prepaids, advances and other receivables	26,999	21,392
	38,034	29,368
Non-current asset		
Mineral properties (note 4)	-	-
	-	-
Total Assets	$ 38,034	$ 29,368
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	$ 1,338,400	$ 1,230,698
Advance from shareholder (note 7)	146,066	-
Convertible loan (note 8)	613,788	525,003
	2,098,254	1,755,701
Non-current liabilities		
Long term obligation (note 12)	48,642	48,642
Share purchase warrants (note 5b,d)	-	18,368
	48,642	67,010
	2,146,896	1,822,711
Equity		
Share capital (note 5)	55,890,595	55,890,595
Reserves	11,486,764	11,579,176
Deficit	(69,486,221)	(69,263,114)
	(2,108,862)	(1,793,343)
Total Equity and Liabilities	$ 38,034	$ 29,368

Nature and continuance of operations (note 1)
Commitments (note 12)
See accompanying Notes to the Condensed Consolidated Interim Financial Statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)

IN CANADIAN DOLLARS

	THREE MONTHS ENDED MARCH 31, 2015	THREE MONTHS ENDED MARCH 31, 2014
Expenses		
General exploration	$ 24,539	$ 118,202
Consulting and management fees	53,488	115,998
Salaries and benefits	3,027	96,156
Foreign exchange loss	54,610	84,312
Office expense	69,072	72,847
Shareholder information	32,183	67,469
Legal and accounting	9,183	33,818
Travel	-	7,828
Depreciation	-	1,334
Loss before undernoted item	(246,102)	(597,964)
Interest and other income	4,627	628
Gain on revaluation of warrants (note 5b,d)	18,368	-
Loss for the period	(223,107)	(597,336)
Other comprehensive (loss) income:		
Foreign currency translation differences in foreign operations	(95,458)	1,794,128
Total comprehensive (loss) income	$ (318,565)	$ 1,196,792
Loss per share - basic and diluted	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	41,533,992	38,516,671

See accompanying Notes to the Condensed Consolidated Interim Financial Statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

IN CANADIAN DOLLARS

	THREE MONTHS ENDED MARCH 31, 2015	THREE MONTHS ENDED MARCH 31, 2014
Operating Activities		
Loss for the period	$ (223,107)	$ (597,336)
Items not involving cash:		
Depreciation	-	1,334
Share-based compensation (note 5)	3,046	83,349
Accrued interest on convertible loan (note 8)	39,838	32,044
Gain on revaluation of warrants (note 5b,d)	(18,368)	-
Foreign exchange on convertible loan (note 8)	48,947	86,973
Interest income	(17)	(628)
	(149,661)	(394,264)
Change in non-cash operating working capital items:		
(Increase) decrease in prepaids, advances and other receivables	(5,607)	10,865
Increase (decrease) increase in accounts payable and accrued liabilities	12,244	(945)
Cash used in operating activities	(143,024)	(384,344)
Investing Activities		
Interest received	17	628
Mineral property expenditures	-	(284,677)
Cash provided by (used in) investing activities	17	(284,049)
Financing Activities		
Shares issued, net of issue costs	-	330,000
Advance from shareholder	146,066	-
Proceeds from option to acquire mineral property	-	248,319
Cash provided by financing activities	146,066	578,319
Effects of exchange rate change on cash and cash equivalents held in a foreign currency	-	(12,865)
Increase (decrease) in cash and cash equivalents during the period	3,059	(102,939)
Cash and cash equivalents at beginning of period	7,976	592,751
Cash and cash equivalents at end of period	$ 11,035	$ 489,812
Cash and cash equivalents consist of:		
Cash	$ 11,035	$ 461,062
Short-term investments	-	28,750
	$ 11,035	$ 489,812

See accompanying Notes to the Condensed Consolidated Interim Financial Statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

IN CANADIAN DOLLARS

	SHARE CAPITAL		RESERVES				
	NUMBER OF SHARES	AMOUNT	SHARE-BASED PAYMENT RESERVE	WARRANTS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	DEFICIT	TOTAL
Balance at January 1, 2014	38,274,239	$ 55,502,227	$ 4,248,002	$ 4,638,357	$ 1,903,289	$ (29,412,365)	$ 36,879,510
Total comprehensive loss							
Net loss	–	–	–	–	–	(597,336)	(597,336)
Other comprehensive income	–	–	–	–	1,794,128	–	1,794,128
	–	–	–	–	3,697,417	(30,009,701)	1,196,792
Private Placement (net of share issue costs of $12,923)	2,444,444	284,077[1]	–	33,000	–	–	317,077
Share-based compensation	392,318	39,232	44,117	–	–	–	83,349
Balance at March 31, 2014	41,111,001	$ 55,825,536	$ 4,292,119	$ 4,671,357	$ 3,697,417	$ (30,009,701)	$ 38,476,728
Total comprehensive loss							
Net loss	–	–	–	–	–	(39,253,413)	(39,253,413)
Other comprehensive income	–	–	–	–	(1,151,396)	–	(1,151,396)
	–	–	–	–	(1,151,396)	(39,253,413)	(40,404,809)
Share-based compensation	422,991	65,059	69,679	–	–	–	134,738
Balance at December 31, 2014	41,533,992	$ 55,890,595	$ 4,361,798	$ 4,671,357	$ 2,546,021	$ (69,263,114)	$ (1,793,343)
Total comprehensive loss							
Net loss	–	–	–	–	–	(223,107)	(223,107)
Other comprehensive loss	–	–	–	–	(95,458)	–	(95,458)
	–	–	–	–	(95,458)	(223,107)	(318,565)
Share-based compensation			3,046	–	–	–	3,046
Balance at March 31, 2015	41,533,992	$ 55,890,595	$ 4,364,844	$ 4,671,357	$ 2,450,563	$ (69,486,221)	$ (2,108,862)

[1] Includes value of warrants totalling $33,000 which were allocated against share capital with a corresponding entry to reserves in the Condensed Consolidated Interim Statements of Financial Position

See accompanying Notes to the Condensed Consolidated Interim Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2015 (all items are in Canadian dollars except as otherwise noted)

1/ NATURE AND CONTINUANCE OF OPERATIONS

Zincore Metals Inc. ("Zincore" or the "Company") is an exploration company focused on the identification, acquisition, exploration, evaluation and development of zinc and related base metals projects 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.

The Company was incorporated as Peru Zinc Corporation on September 21, 2005 in the Province of British Columbia. The Company subsequently changed its name to Southern Zinc Corporation on April 26, 2006 and to Zincore Metals Inc. on June 5, 2006. In November 2006, Zincore completed an initial public offering and commenced trading on the Toronto Stock Exchange ("TSX"). In May 2010, the Company's shares were approved for trading on the Lima Stock Exchange, or Bolsa de Valores de Lima ("BVL"). The address of the Company's registered office is 5626 Larch Street, Suite 202, Vancouver, BC, Canada V6M 4E1. On March 20, 2015 the Company announced that it had applied for voluntary delisting of its shares from the TSX and concurrently applied for a listing on the NEX, a separate board of the TSX-V. At market close on March 30, 2015, the Company's shares ceased to trade on the TSX and commenced trading on the NEX at market open on March 31, 2015 under the symbol "ZNC.H". Given that the Company's listing on the BVL was conditional in part, on a TSX or TSX-V listing, the Company's ceased to trade on the BVL during the first quarter of 2015. Zincore shares are not differentiated based on the exchange they are bought or sold. Accordingly, shareholders who purchased shares on the BVL are still able to complete transactions on the NEX subject to the capabilities of their broker/dealer.

Although the Company has determined that some of its mineral properties contain mineral reserves that may be economically recoverable, the recoverability of amounts shown for those mineral reserves is dependent upon obtaining necessary financing to complete the development of such mineral reserves and attaining profitable production or proceeds from disposition. As well, the Company has not yet determined whether its other mineral properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for those mineral properties is dependent upon proving economically recoverable reserves, obtaining necessary financing to complete the development of such mineral reserves and attaining profitable production or proceeds from disposition.

Although Zincore has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee Zincore's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These consolidated financial statements have been prepared on a going concern basis. Zincore does not generate cash flows from operations and accordingly, Zincore will need to raise additional funds through future issuance of securities or other financing (note 14). 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. It is not possible to predict whether financing efforts will be successful or if Zincore will attain profitable level of operations. At March 31, 2015, Zincore has incurred cumulative losses of $69,486,221 since inception, has negative working capital totalling $2,060,220, and is unable to pay all of its commitments as they come due. The Company is currently pursuing alternatives through potential partnerships or sales of non-core mineral properties. These factors 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.

As of March 31, 2015, the Company's Chief Executive Officer ("CEO") had advanced cash totalling $146,066 to the Company in order for it to continue operations. However, there is no certainty that the Company's CEO will advance additional funds to continue to support the Company. The Company needs to secure further financing to continue its operations and is working diligently to do so.

2/ BASIS OF PRESENTATION

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2014,

The Company's management makes judgements in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgements and estimates applied in preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in notes 2(n) and 2(o) to the Company's consolidated financial statements for the year ended December 31, 2014.

The Company's interim results are not necessarily indicative of its results for a full year.

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All amounts are expressed in Canadian dollars, unless otherwise stated. The principal subsidiaries of Zincore and their geographic locations at March 31, 2014 were as follows:

	JURISDICTION	NATURE OF OPERATIONS	OWNERSHIP %
Zincore Metals Inc.	Canada	Holding company	100%
Polymex Resources Ltd.[2]	Canada	Holding company	49.9%
Nazca Minerals Ltd.	Bermuda	Holding company	100%
Wari Minerals Limited	Bermuda	Holding company	100%
Exploraciones Collasuyo S.A.C	Peru	Exploration company	100%
Exploraciones y Metales del Centro SACV[1]	Mexico	Exploration company	100%

[1]Exploraciones y Metales del Centro SACV was closed in January 2014.

[2]As a result of First Quantum Minerals Inc. ("First Quantum") completing the second earn-in requirements at the Dolores Project during the third quarter of 2014, Zincore ceased to be the controlling shareholder of Polymex Resources Ltd. ("Polymex") and changed its accounting for the investment in that particular subsidiary from the consolidation method to equity method.

Intercompany transactions and balances between the Company and its subsidiaries are eliminated.

3/CHANGES IN ACCOUNTING POLICIES

Certain new accounting standards and interpretations have been published that are not effective for the March 31, 2015 reporting period.

Revenue recognition

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts; IAS 18 – Revenue; IFRIC 13 – Customer Loyalty Programs; IFRIC 15 – Agreements for the Construction of Real Estate; IFRIC 18 – Transfers of Assets from Customers; and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9") to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Annual improvements

In December 2013, the IASB issued the Annual Improvements 2010-2012 and 2011-2013 cycles, effective for annual periods beginning on or after July 1, 2014. In September 2014, the IASB issued the Annual Improvements 2012-2014 cycle, effective for annual periods beginning on or after July 1, 2016. These Annual Improvements made necessary but non-urgent amendments to existing IFRSs. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

4/ MINERAL PROPERTIES

A) FOR THE YEAR ENDED DECEMBER 31, 2014:

	AZOD MINING PROPERTY & DEVELOPMENT ("AZOD ZINC")	AZOD EXPLORATION & DEVELOPMENT ("RECONNAISANCE PROPERTIES"	MINASCCASA	DOLORES	TOTAL
Balance, January 1, 2014	$ 33,695,926	$ 4,041,018	$ 509,739	$ 7,768,008	$ 46,014,691
Property acquisition and maintenance	15,122	322,839	17,642	8,203	363,806
Geophysics	-	60,952	-	-	60,952
Geology	29,314	374,752	785	263,292	668,143
Drilling	-	55,673	-	160,539	216,212
Project administration	45,458	48,229	-	84,773	178,460
Disposal of investment	-	-	-	(8,443,222)	(8,443,222)
Mineral property costs written off	(33,910,231)	(5,258,684)	(529,608)	-	(39,698,523)
Foreign exchange movement	124,411	355,221	1,442	158,407	639,481
Balance, December 31, 2014	$ -	$ -	$ -	$ -	$ -

As at March 31, 2015, the Company held a 100% interest in the AZOD and Minasccasa projects and a 49.9% interest in the Dolores project. Expenditures relating to the AZOD zinc project, the Copper reconnaissance project, and the Minasccasa project were written off in 2014.

A. On August 6, 2013, the Company announced it had received a positive Pre-feasibility Study ("PFS") on the AZOD Project. The PFS has categorized certain of the project's resources as proven and probable reserves. As a result of this report the Company tested the carrying value of the assets included in the PFS for impairment and then reclassified those expenditures to Mining Property & Development within Mineral Properties.

During the second quarter of 2014, the Company wrote off exploration expenditures totalling $33,910,231 relating to the AZOD zinc project. The Company has been actively trying to raise capital or find a partner in order to advance this project. Although the PFS completed in 2013 indicated positive economics and a Net Present Value ("NPV") for the project which is significantly greater than its book value, to date the Company has been unsuccessful in raising capital, or finding a partner or buyer. This has caused the Company to decide not to invest further funds on exploration or development of this project until market conditions improve. The Company believes that this project could become much more attractive in the future when the zinc and junior exploration equity markets improve. Although exploration work has been temporarily suspended, the Company intends to continue maintaining the claims in good standing and will continue to work towards securing funding, or finding a partner or buyer, for this project. The next scheduled claim maintenance fees relating to this project will be payable in June 2015.

During the second quarter of 2014, the Company also decided to write off exploration expenditures totalling $529,608 relating to the Minasccasa project. Like the AZOD zinc project, the Company has not been able to secure funding or a partner to advance this project and therefore no further exploration expenditures are planned for the project at this time. The next scheduled claim maintenance fees relating to this project will be payable in June 2015.

On July 23, 2013, the Company announced that it had expanded its strategic partnership with First Quantum, see note 10b, under a binding Memorandum of Understanding ("MOU") to pursue a regional copper exploration program over 55,000 hectares of Zincore's 100% owned property package (the "Reconnaissance Properties"). This reconnaissance phase extended until April 1, 2015 and Zincore provided to First Quantum access to all geological, geophysical and general information for the Reconnaissance Properties. In turn, First Quantum, utilizing Zincore staff, conducted exploration activities with the goal of defining one or more "Copper Target Properties" that comprise one or more "Copper Target Areas" within the Reconnaissance Properties. In the event First Quantum determined it wished to select a Copper Target Area, the two companies would execute a framework agreement, as described below, to further develop the target under a new joint venture. During the Reconnaissance Phase, First Quantum was not subject to any minimum investments, except to fully fund the exploration programs designed and agreed upon by a Technical Committee, comprised of two representatives each from First Quantum and Zincore and to maintain the Reconnaissance Properties in good standing.

On December 10, 2013, the Company announced that First Quantum had selected three Copper Target Areas for further exploration. During 2014 the two companies made no progress on executing separate framework agreements for each Target Area to further explore and, if warranted, develop the Targets as joint ventures. On February 15, 2015, the Company announced that First Quantum terminated the MOU governing the Copper Reconnaissance Properties. As a result of this decision by First Quantum and the continued inability of the Company to secure equity financing, exploration expenditures totalling $5,258,684 were written off during the fourth quarter of 2014. The next scheduled claim maintenance fees relating to these properties will be payable in June 2015 and the Company will continue to work towards securing funding, or finding a partner or buyer, for this project.

B. On August 28, 2012, the Company and First Quantum, entered into a formal Earn-In Shareholders Agreement (the "Earn-In Agreement") relating to the Company's Dolores copper porphyry project. Under the terms of the Earn-In Agreement, First Quantum can earn up to an 80% interest in Polymex (at that time a 100% owned subsidiary of Zincore) which indirectly controls the Dolores 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 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 vested when First Quantum provided written notice (the "Vesting Notice") within 60 days of the first anniversary of the Formal Agreement Date and committed 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"). This notice was received by Zincore in October 2013. Since then an additional US $5.0 million was invested and First Quantum earned a 50.1% interest in Polymex.

- Third Earn-In: First Quantum can earn an additional 9.9% in Polymex by producing a Canadian 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 would have a 20% interest in Polymex which it could elect to convert to a 3% Net Smelter Return Royalty.

During the third quarter of 2014, First Quantum earned an additional 20.1% interest in Polymex as they met the criteria for the Second Earn-In increasing its ownership to 50.1%. This resulted in Zincore no longer being the controlling shareholder of the project and thus no longer consolidating its interest in the entity. The Company has significant influence over Polymex and as it is not a subsidiary or a joint venture, it has been assessed as an associate and is being accounted for on the equity basis effective August, 1, 2014 going forward. As a result of this change the Company is required to determine the fair value of the asset acquired in exchange for the interest in the subsidiary. Given that the Dolores project is still in the relatively early stages of exploration, its fair value has been estimated to be $nil and resulted in the Company writing off the remaining carrying value of its investment at that time which totalled $696,100.

INVESTMENT IN ASSOCIATE		MARCH 31, 2015
Cash in Associate	$	6,446
Option to acquire mineral property		(4,810,689)
Non – controlling interest		(2,942,879)
Mineral property - Dolores		8,443,222
Investment in Associate	$	696,100
Write off of Investment in Associate in August 2014		(696,100)
Investment in Associate, March 31, 2015	$	-

The Company is currently negotiating with First Quantum for an amount totalling U.S. $356,000 which it believes is owed to it from First Quantum relating to the various agreements discussed above.

5/ SHARE CAPITAL

A) COMMON AND PREFERRED SHARES

The authorized share capital of the Company consists of an unlimited number of common shares without par value, an unlimited number of first preferred shares without par value, and an unlimited number of second preferred shares without par value. To date no preferred shares have been issued.

B) CHANGES IN ISSUED SHARE CAPITAL AND RESERVES WERE AS FOLLOWS:

On March 24, 2014, the Company announced that it had closed the first tranche of a non-brokered private placement of units (the "Units") for gross proceeds of $330,000. The first tranche consisted of 2,444,444 Units at a price of $0.135 per Unit. Each Unit is comprised of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at $0.19 for 24 months. The 1,222,222 warrants issued were valued at $33,000 by using the Black-Scholes options pricing model assuming no dividends are to be paid; volatility of 52%; risk free interest rate of 1.02%; and an estimated life of 2 years. This amount was allocated against share capital and recorded in reserves in the condensed consolidated interim statements of financial position. The total offering, which was announced on March 17, 2014, was for maximum gross proceeds of up to $861,000, however, On April 28, 2014 the Company announced that it would not be proceeding with a second tranche of the private placement.

During the three month period ended March 31, 2014, the Company issued 392,318 common shares valued at $39,232 and recorded in consulting and management fees, to its CEO in lieu of payment of a portion of his earnings relating to the three month period ending February 28, 2014. During the year ended December 31, 2014 the Company issued to its CEO 815,309 common shares valued at $104,291. These amounts were recorded in consulting and management fees in the condensed consolidated interim statements of comprehensive (loss) income.

On September 27, 2013, the Company announced that it had closed a private placement for gross proceeds of US $750,000 ($771,375 in Canadian dollars) by issuing 2,777,775 units at a price of US $0.27 per unit. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at US $0.36 for up to 24 months. The 1,388,887 warrants issued were valued at $157,361 by using the Black-Scholes options pricing model assuming no dividends are to be paid; volatility of 103%; risk free interest rate of 1.24%; and an estimated life of 2 years. This amount was allocated against share capital and recorded in share purchase warrants in the condensed consolidated interim statements of financial position. As these warrants were issued in US dollars, which is not the functional currency of the Company, they were re-valued to a fair value of $nil at March 31, 2015 which resulted in gain of $18,368 (March 31, 2014 - $nil) for the three months ending March 31, 2015.

C) SHARE PURCHASE OPTION COMPENSATION PLAN

The Company has a share purchase option plan providing for the issuance of options that shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company as at the date of grant of the options. The Company may grant options to directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries. The exercise price of each option is the volume weighted average trading price for the last five trading days prior to the date of grant of options. The option vesting periods are established by the Board of Directors or Exchange policies if applicable. Options may not be granted for a term exceeding ten years and all options granted to date have been for a term of five years.

At March 31, 2015 there were 3,502,497 share options outstanding, of which 3,352,493 were exercisable.

	AT MARCH 31, 2015			AT DECEMBER 31, 2014		
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE		NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	
Outstanding at beginning of period	3,535,830	$	0.79	3,784,995	$	0.94
Granted	-	$	-	450,001	$	0.13
Forfeited	-	$	-	(173,334)	$	0.25
Cancelled	(33,333)	$	1.80	(525,832)	$	1.50
Outstanding at end of period	3,502,497	$	0.78	3,535,830	$	0.79
Exercisable at end of period	3,352,493	$	0.81	3,385,826	$	0.82

EXERCISE PRICE RANGE	NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED-AVERAGE REMAINING YEARS	NUMBER OF OPTIONS EXERCISABLE
$0.13-$0.50	2,193,334	$0.21	3.6	2,043,330
$0.51-$1.00	500,832	$0.78	2.6	500,832
$1.01-$2.00	576,663	$1.87	1.2	576,663
$2.01-$4.00	231,668	$3.48	0.7	231,668
	3,502,497	$0.78	2.9	3,352,493

As a result of common shares vesting and amortization of previous share options granted, during three month period ended March 31, 2015, the Company recognized $3,046 (March 31, 2014 – $44,117) as share-based compensation expense and recorded this amount in share based payment reserve.. As well during the three month period ended March 31, 2014, common shares valued at $39,232 were issued to the Company's CEO as described above, and recorded in share capital. These amounts were recorded as follows:

	THREE MONTHS ENDED MARCH 31, 2015		THREE MONTHS ENDED MARCH 31, 2014	
Consulting and management fees	$	338	$	45,403
General exploration	$	-	$	2,710
Salaries and benefits	$	2,708	$	35,236
Total	$	3,046	$	83,349

There were no share options granted during the first quarters of both 2015 and 2014. The amount expensed during the periods represents the amortization of share-based compensation for grants issued in prior periods. 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.

D) WARRANTS

As at March 31, 2015 and December 31, 2014 the Company had the following warrants outstanding:

AMOUNT	EXERCISE PRICE		EXPIRY DATE
1,222,222	$	0.19	MARCH 24, 2016
1,388,887	$	U.S. 0.36	SEPTEMBER 27, 2015
2,611,109			

The warrants reserve represents the cumulative fair value of warrants issued except for the 1,388,887 US dollar issued warrants whose fair value is recorded as a liability in the condensed consolidated interim statements of financial position.

6/ ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Due to First Quantum becoming the operator of the Dolores project as well as the Company's inability to secure financing to date, Zincore terminated all of its employees during the third quarter of 2014, retaining as consultants only those staff that was considered essential. Included in accounts payable and accrued liabilities are outstanding severance costs totalling $401,778 (December 31, 2014 – $388,495).

Also included in accounts payable and accrued liabilities are unpaid consulting fees totaling $45,649 (December 31, 2014 – 20,795) and $15,000 (December 31, 2014 - $6,000) relating to the CEO and interim CFO, respectively.

The other amounts recorded in accounts payable and accrued liabilities primarily relate to trade payables.

7/ ADVANCE FROM SHAREHOLDER

As of March 31, 2015, Zincore's CEO has advanced to the Company $146,066 (December 31, 2014 - $nil). This advance is in the form of an unsecured, non-interest bearing loan. Since that date, Zincore's CEO has advanced an additional US 18,045 and 36,713 Peruvian Soles.

8/ CONVERTIBLE LOAN

On April 17, 2013, the Company completed a loan agreement with First Quantum whereby First Quantum provided the Company with US $2 million for working capital purposes. The term of the loan agreement was for one year, but was extended for one additional year to mature March 27, 2015, by mutual agreement between both parties. The interest rate is LIBOR plus 5%. Under the terms of the loan agreement, there is no provision in the agreement that requires Zincore to pay back this loan and the related interest in cash. The repayment options are as follows: Unless Zincore chooses to repay the loan in cash prior to maturity, First Quantum will choose at or before maturity, one of the following three conversion options to receive repayment:

- Credit all or a portion of the Loan amount towards the First Quantum's obligations to incur project expenditures for the Dolores joint venture as per the terms of the agreement dated August 28, 2012;
- Credit all or a portion of the Loan amount towards the First Quantum's obligations to earn an interest into any new copper target relating to the regional copper exploration "MOU" announced on July 23, 2013; or
- Convert all or a portion of the Loan amount into Zincore shares, subject to the prior approval of Zincore shareholders if the conversion would result in the issuing of a number of shares greater than 10% of the Company's issued and outstanding common shares at the time of conversion. Any conversion of the loan amount into Zincore shares would be at the greater of the volume weighted average trading price of the Company's shares for the five days prior to the date of conversion, or US $0.48/share.

Given that First Quantum has terminated the regional copper exploration MOU and has advanced the Dolores project beyond the point where they have specific cash expenditure obligations, the remaining option for repayment of the loan and accrued interest is by conversion of the amount owed into Zincore common shares. This loan remains outstanding as of the date of these Financial Statements and as of March 31, 2015, the fair value of this conversion option was calculated at $2,037,266. The value of the convertible loan on the condensed consolidated interim statements of financial position is calculated on a net basis as follows:

INVESTMENT IN ASSOCIATE		MARCH 31, 2015		DECEMBER 31, 2014
Loan	$	$2,651,154	$	$2,562,269
Conversion option		(2,037,266)		(2,037,266)
Net value of convertible loan	$	613,888	$	525,003

During three month period ended March 31, 2015 the Company accrued interest expense of $39,838 (March 31, 2014 - $32,044) related to this loan and recorded it in office expense in the condensed consolidated interim statements of comprehensive (loss) income and recorded foreign exchange losses relating to this loan totalling $48,947 (March 31, 2014 - $86,973).

9/ SEGMENTED INFORMATION

The Company operates in one reportable operating segment, the acquisition and exploration of mineral properties. As at March 31, 2015 and December 31, 2014 The Company has no non-current assets.

10/ RELATED PARTY TRANSACTIONS

A) The Company is accruing remuneration for management services to Adamant Communications, a company controlled by the Company's interim CFO. Fees are based on a daily rate pursuant to a consulting contract, approved by the Company's Board of Directors.

	THREE MONTHS ENDED MARCH 31, 2015	THREE MONTHS ENDED MARCH 31, 2014
Remuneration paid to a company controlled by an officer for contracting services	$ 9,000	$ -

These amounts are recorded in consulting fees in the condensed consolidated interim statements of comprehensive (loss) income.

B) First Quantum

As of the date of these consolidated financial statements, First Quantum owns 20.02% of the Company's issued and outstanding common shares and is considered a related party. There are no transactions with First Quantum other than those disclosed elsewhere in these condensed consolidated interim financial statements.

11/ LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2015 was based on the loss attributable to common shareholders of $223,107 (March 31, 2014 - $597,336) and a weighted average number of common shares outstanding of 41,533,992 (March 31, 2014 – 38,516,671).

Diluted loss per share did not include the effect of 6,113,606 (March 31, 2014 – 8,131,103) share options and warrants as they are anti-dilutive.

12/ COMMITMENTS

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

	TOTAL	2015	2016	2017
Operating lease obligations	$ 425,952	$ 132,192	$ 176,256	$ 117,504

In March 2012 the Company signed an agreement to sublease its current office space until September 2017 which will enable it to fully offset the remaining commitment relating to its operating lease obligations. The agreement became effective on April 15, 2012. Pursuant to that agreement the Company collected a three month damage deposit totalling $48,642 and recorded it as a long-term obligation.

13/ MANAGEMENT OF CAPITAL RISK

The capital structure of the Company consists of equity attributable to common shareholders, comprising share capital, reserves and deficit. Its capital resources consist of cash and cash equivalents. The Company manages its capital to fund its exploration and development expenditures and corporate costs with the primary objective of maintaining adequate liquidity within the Company to safeguard its ability to continue as a going concern while minimizing dilution to current equity holders.

To effectively manage its resources and minimize risk the Company maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a monthly cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors (the "Board").

The Company maintains an investment policy that specifies the investment products and credit exposures permitted relating to the short-term investments of the Company's cash (the "Cash Investment Policy").

The Company is not subject to any externally imposed capital requirements and it does not have exposure to asset-backed commercial paper or similar products.

14/ MANAGEMENT OF FINANCIAL RISK

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk and price risk (including currency and interest rate risks). The risk related to financial instruments is managed by the senior management of the Company under policies and directions approved by the Board. Relevant policies include the Cash Investment Policy and the approval allowing a portion of the Company's cash to be held in United States dollars at the discretion of the Chief Financial Officer. The Board monitors these policies on a quarterly basis. The Company's Board has not approved the use of derivative financial products.

A) FAIR VALUE ESTIMATION

The fair values of the Company's cash and cash equivalents, prepaids, advances and other receivables, accounts payable, advance from shareholder, and convertible loan approximate their carrying values due to their short-term nature. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk.

B) CREDIT RISK

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations.

The Company's cash assets are held in demand accounts in Canada and Peru. All accounts are held at commercial banks with credit ratings of A or higher.

C) LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements as well as its planned capital expenditures.. The Company has considerable discretion to reduce or increase exploration plans or budgets depending on current or projected liquidity. When appropriate, the Company will seek joint venture partners in order to fund or share in the funding of its exploration properties to minimize shareholder risk.

The Company did manage to raise gross proceeds of $330,000 in 2014. However, as a result of current market conditions, it has become increasingly difficult for exploration stage companies to raise capital. As discussed in note 4, the Company had managed to fund most of its exploration activities during the past two years by entering into and expanding its strategic partnership with First Quantum, whereby First Quantum funded certain exploration expenditures on the Company's property portfolio. However, First Quantum has now reduced its involvement with the Company to only the Dolores project which it controls and will fund any future expenditures directly. The Company has also suspended exploration and development work on the AZOD project and the Copper Reconnaissance properties until additional cash can be raised and/or a partner(s) can be found in order to advance the projects. The Company is continuously evaluating alternatives in order to raise additional capital to increase liquidity and to cut costs where possible, but there is no certainty that additional capital will be raised or that a partner(s) will be found. As at March 31, 2015, cash resources totalled $11,035. As discussed in note 7, as of March 31, 2015, the Company's CEO had advanced cash totalling $146,066 to the Company in order for it to continue operations. Since that date, Zincore's CEO has advanced an additional US 18,045 and 36,713 Peruvian Soles. However, there is no certainty that the Company's CEO will continue to advance funds in order to support the Company.

D) CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds its cash resources principally in Canadian dollars with a secondary amount held in U.S. dollars and incurs expenses principally in U.S. dollars with smaller exposures mainly to Peruvian soles and Canadian dollars. A weakening Canadian dollar relative to these currencies increases the Company's reported expenses and increases its deferred mineral property investments. However, a weakening Canadian dollar results in a foreign exchange gain on the Company's non-Canadian monetary assets.

A 10% weakening in the Canadian dollar relative to the U.S. dollar would increase the net loss by approximately \$158,000 (March 31, 2014 - \$178,000) over the next nine months with a 10% strengthening having the opposite effect.

E) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash and cash equivalents, and interest accrued on its convertible loan from First Quantum. Due to the minimal cash on hand, a 1% decrease in short-term rates would decrease interest income, from the Company's cash and cash equivalents, and increase net loss of the Company by an immaterial amount over the remaining nine months of 2015. However, due to the convertible loan from First Quantum, the same 1% decrease in short-term interest rates would decrease interest expense and decrease net loss by approximately \$15,000 (March 31, 2014 - \$15,000) over the same period.