

ZINCORE METALS INC.

Management's Discussion and Analysis

Year ended – December 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

April 27, 2023

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Zincore Metals Inc. ("Zincore" or the "Company") together with its subsidiaries as of the date of this report, and is intended to supplement and complement the Company's consolidated financial statements for year ended December 31, 2022. Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from management's expectations. Zincore's public disclosure documents are available on SEDAR at www.sedar.com. The consolidated financial statements and MD&A are presented in Canadian Dollars, except where noted, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the year ended December 31, 2022.

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended December 31, 2022 and 2021 are also referred to as "fiscal 2022" and "fiscal 2021", respectively. All amounts are presented in Canadian dollars, the Company's reporting and presentation currency, unless otherwise stated. Statements are subject to the risks and uncertainties identified in the "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Statements" sections of this document. The Company has included the non-IFRS performance measure of earnings "Earnings Before Interest, Taxes, Depreciation and Amortization" ("EBITDA"). The Company has also included measures of recurring revenue and customer retention such as Monthly Recurring Revenue ("MRR"), and Customer Retention Rate. For further information and detailed calculations of these measures, see the "Non-IFRS and additional IFRS Measures" section of this document.

CORPORATE OVERVIEW

The following Management's Discussion and Analysis ("MD&A") of Zincore Metals Inc. and its subsidiaries ("Zincore" or the "Company"), for the year ended December 31, 2022 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with International Financial Standards ("IFRS") as issued by the International Accounting Standards Board. All of these statements are available on the Company's website at www.zincoremotals.com or on the SEDAR website at www.sedar.com. Additional information relating to the Company 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 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 1030 West Georgia Street, Suite 1012, Vancouver BC, V6E 2Y3. 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 shares 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 on. 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. On July 26, 2016, the Company's shares commenced trading on the NEX, a separate board of TSX Venture Exchange, on a consolidated basis at the open of the market. The Company's name and trading symbol (ZNC.H) remain the same.

The Company currently holds no operating assets and is currently looking for other ventures to build value for its shareholders.

COVID-19

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by almost all levels of government in Canada and around the World regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence, however, it has gotten demonstrably more difficult to conduct normal business tasks and source potential financing. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

HIGHLIGHT – Q4 2022

Strengthening of management and board of directors

On July 14, 2022, the Company appointed the following members of senior management and directors:

Matthew Roma – Chief Executive Officer, Director

Mr. Roma is a Chartered Professional Accountant (CPA) and is a Principal of Roma Capital Corp., a private company providing corporate finance, accounting and capital advisory services to private and public companies. In this role, Mr. Roma serves as a director and/or officer to a number of junior public companies in the natural resource sector. Mr. Roma articulated at Deloitte LLP where he specialized in assurance and advisory services for publicly listed mining companies based both in Canada and the United States. Subsequent to December 31, 2022, Mr. Roma was appointed as the Chief Executive Officer after Mr. Jorge Benavides resigned as the director and Chief Executive Officer of the Company.

Maggie Wong – Chief Financial Officer

Ms. Wong is currently the director of finance of Samina Capital Ltd., a public company management firm. Prior to joining Samina Capital, Ms. Wong was a project cost analyst of Secure Energy for 14 years, a public company specializing in waste management, project and environmental services, and landfills. During her tenure at Secure Energy, she was responsible to oversee and financially manage all soil remediation projects, demolition projects, water technology projects and soil facilities for the entire B.C. region, with duties, including, but not limited to, internal and external reporting, budget management, change order management and analysis, and financial control.

Ramon Perez – Director

Mr. Perez is a mining executive with over 15 years of international mining experience. He is the Co-Founder, former Interim-CEO and now President of Candelaria Mining Corp. He also served ten years as Vice President of the Carrelton Horizon Natural Resource Fund where he covered the metals and mining sector with a focus on publicly listed junior mining companies throughout Latin America. Mr Perez is the founding member of Sociedad Minera Reliquias S.A., a private Peruvian mining company advancing a former 2,000 tpd silver mine in the Castrovirreyna district. He is also the former consultant for Core Gold, a Canadian publicly listed junior gold company with projects in Ecuador.

Resumption of trades

The Company previously halted its trade due to a potential transaction in 2019 (which was mutually terminated in 2020). The Company resumed trading on July 12, 2022.

Subsequent events

As at February 14, 2023, the Company closed a private placement raising aggregate gross proceeds of \$190,800 through the sale of up to 19,080,000 flow-through units at a price of \$0.01 per flow-through unit. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at an exercise price of \$0.05 per share for a period of 12 months from the closing date per the NEX policy.

OUTLOOK

Management continues to pursue its efforts to maximize shareholder value, including but not limited to seeking investment or sale of the Company, or joint venture. 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 to maintain its assets, 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 a profitable level of operations.

The Company currently holds no operating assets and is currently looking for other ventures to build value for its shareholders.

SUMMARY OF CONSOLIDATED INCOME (LOSS)

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
General exploration	-	-	(8,969)
General and administrative expenses (1)	(81,506)	(102,213)	(191,262)
Consulting and management fee	(17,300)	(36,000)	(60,000)
Foreign exchange gain (loss)	(26,547)	(4,678)	8,308
Gain on debt settlement	31,230	49,458	-
Other income	2,395,590	-	234,754
Reversal of gain on debit settlement	-	-	(264,309)
Net income (loss)	2,301,467	(93,433)	(281,478)
Total assets	5,196	14,643	110,097
Total non-current liabilities	-	-	-
Total dividends declared	-	-	-

- (1) General and administrative expenses include office expenses, shareholder information, legal and accounting expense, interest, and travel expenses

During the year ended December 31, 2022, the Company incurred a net income of \$2,301,467, which was higher when comparing to a net loss of \$93,433 in 2021 and a net loss of \$281,478 in 2020. This net income was mainly driven by a \$2,395,590 non-cash gain in disposition of the Peruvian subsidiaries. The Company has revised its corporate structure for tax planning purposes.

Other notable items during 2022: the Company incurred much less G&A expense and the company settled debt and payable with a gain of \$31,230. Comparatively for 2021, the Company also has successfully settled debt and payable with a gain of \$49,458 but the G&A and management fee were still significantly higher than 2022. Among the past 3 years, the Company has incurred highest G&A expense in 2020 due to increased legal and professional costs and interest expense. The company was in progress of a reverse take over (RTO) transaction with Mines & Metals Trading (Peru) PLC. (MMTP) in 2020, hence the higher legal and professional costs and interest expense.

Consolidated quarterly loss – 8 quarters historic trend

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Other income	\$ -	\$ -	\$ -	\$ -	\$ 1,011	\$ -	\$ -	\$ -
Net income (loss)	\$ 2,441,233	\$ (39,478)	\$ (79,774)	\$ (20,514)	\$ (25,132)	\$ (37,604)	\$ (35,936)	\$ 5,239
Gain(loss) per share	\$ 0.13	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.01
Total assets	\$ 5,196	\$ 15,365	\$ 25,922	\$ 21,834	\$ 14,643	\$ 25,584	\$ 28,996	\$ 54,461
Total liabilities	\$ 1,829,125	\$ 1,884,707	\$ 1,855,786	\$ 1,771,926	\$ 1,744,221	\$ 1,738,688	\$ 1,679,163	\$ 1,681,828

Three months ended December 31, 2022 vs. all historic quarters in 2022 and 2021

During the three months ended December 31 2022, the Company has an income of \$2,441,233 due to non-cash \$2,395,590 gain in disposition of Peruvian subsidiaries (for tax planning purposes), reversal of accrued corporate overhead expenses and gain on debt settlement. This is higher than all historic quarters in 2022 and 2021 as the other historic quarters did not incur such gain.

Change in total assets

As at December 31, 2022, the total assets are \$5,196. It has declined since Q1 2021 due to cash expenditures.

LIQUIDITY AND CAPITAL RESOURCES

	Year Ended December 31,		
	2022	2021	2020
Cash inflow (outflow) from operating activities	\$ (93,358)	(96,534)	97,199
Cash inflow from financing activities	85,936	-	6,814
Net cash flows	(7,422)	(96,534)	104,013
Cash balance	\$ 3,088	10,510	107,044

As at December 31, 2022, the Company's net working capital deficit was \$1,823,929 (2021 - \$1,729,578), which was higher than December 31, 2021 due to corporate expenditures from the resumption of trade.

Cash outflow from operating activities in 2022 was slightly lower when compared to 2021. When compared to 2020, the outflow was much higher as there was a cash inflow of \$236,964 of other come from sale of historic exploration data.

Cash inflow from financing in 2022 was \$85,936 from the net proceeds from advance from shareholders, comparing to \$nil in 2021 and \$6,814 in 2020.

The Company's future financial condition is still dependent on finding sources of financing in order to continue as a going concern.

SHAREHOLDERS' EQUITY

As at December 31, 2022 and the date of this report, there were the following common shares outstanding:

	Common shares
Balance, December 31, 2022	19,106,338
Private placement issuance	19,080,000
As at date of the report	38,186,338

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at the date of this report, the Company did not have any off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions as at December 31, 2022 and the date of the report, other than as disclosed elsewhere in this document.

Related Party Transactions

The Company's related parties include its subsidiaries and key management. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

Short-term employee benefits include salaries payable within twelve months of the statement of financial position date and other annual employee benefits.

The Company incurred the following expenses with related parties during the year ended December 31, 2022 and 2021:

1. As of December 31, 2022, the Company had \$nil (2021 - \$546,060) of shareholder loans outstanding.
2. As at December 31, 2022, the Company owed \$nil (2021 - \$144,185) to the Chief Executive Officer of the Company for outstanding consulting fees, which are included in accounts payable and accrued liabilities.
3. For the year ended December 31, 2022, the Company incurred \$7,000 (2021 - \$nil) of consulting fees for the services provided by the Chief Financial Officer.
4. For the year ended December 31, 2022, the Company incurred \$10,300 (2021 - \$36,000) of consulting fees to a company controlled by a Director and former CFO of the Company.
5. For the year ended December 31, 2022, the Company incurred \$nil (2021 - \$12,000) of accounting fees.
6. As of December 31, 2022, the Company owed \$17,300 (2021 - \$199,500) of consulting fees to officers and directors of the Company. During the year ended December 31, 2022, a company controlled by the former CFO forgave amounts owing of \$18,900 (2021 - \$nil) to the Company, which was recorded as a gain on settlement of debt.

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors or companies with common directors of the Company

Financial Instruments

The fair values of the Company's cash, accounts payable and accrued liabilities, promissory notes, and shareholder 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. The following table summarize the Company's financial instruments as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
	\$	\$
Financial Assets		
Amortized cost:		
Cash	3,088	10,510
Financial Liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	26,131	760,647
Shareholder loan	-	546,060
Promissory note	1,802,994	437,514

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;

Level 3 Inputs that are not based on observable market data Fair values of financial instruments

The Company has classified all of its financial assets at Level 1.

A) 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 manages its financial resources to ensure that there is sufficient working capital to fund near term planned exploration work and operating 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's cash assets are held in demand accounts in Canada and Peru.

The Company is continuously evaluating alternatives in order to raise additional capital to increase liquidity and to cut costs where possible, but there's no certainty that additional capital will be raised. As of December 31, 2022, cash was \$3,088 (December 31, 2021 - \$10,510).

B) 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.

As of December 31, 2022, a 10% weakening in the U.S. dollar relative to the Canadian dollar would increase the net gain by \$nil (2021 - \$98,357) with a 10% strengthening having the opposite effect.

C) 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, as at December 31, 2022 and 2021, there's no material impact if there is a 1% increase or decrease in short term rates.

D) CREDIT RISK

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The carrying amount of the financial assets represents the maximum credit exposure. The Company's cash is held through large Canadian financial institutions.

Management of Capital

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. 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.

The capital of the Company consists of items included in shareholders' equity, net of cash as follows:

	December 31, 2022	December 31, 2021
Total equity for owners	\$ (1,823,929) \$	(1,729,578)
Less: cash	(3,088)	(10,510)
	<u>(1,827,017)</u>	<u>(1,740,088)</u>

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.

Significant Accounting Policies

The preparation of these consolidated financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the report period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimate which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Change in accounting policy and new accounting pronouncements

A number of new standards, and amendments to standards and interpretations, were not yet effective for the year ended December 31, 2022 and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations were either not applicable or are not expected to have material impact on the Company's consolidated financial statements.

Risk and uncertainties

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 exploration and drill programs on its properties;
- (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; and
- (viii) the risk that the Company will not be able to meet its continued listing requirements by the NEX.

Cautionary note regarding forward-looking information

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 Prefeasibility Study ("PFS") on the Accha Zinc Oxide District ("AZOD") Project, future exploration on the AZOD Project, a potential joint venture with First Quantum Minerals Ltd. ("First Quantum") relating to the Reconnaissance Properties (as defined herein), 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.

This MD&A contains 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.