

KELOWNA, BC, Jan. 18, 2017 /CNW/ - [Diamcor Mining Inc.](#) (TSX-V:DMI / OTCQX:DMIFF), (the "Company") is pleased to announce that the installation of additional operational equipment and expansions underway at the Company's Krone-Endora at Venetia Project (the "Project") have been completed, and all items are now operational. The additional operating equipment and expansions undertaken were aimed at supporting initial processing volume increases, allowing the Company to incorporate the crushing and processing of material up to 45mm, establish a dedicated large diamond recovery circuit, and increase the capacity of the Project's final recovery and sorting facilities for the long-term. Work on these various objectives commenced during the previous quarter as announced on November 2, 2016, and with the majority of the items finalized by the end of the year, final testing and calibration was able to be completed early in the New Year. Initial testing of the new facilities has demonstrated their ability to meet or exceed the Company's expectations with regards to targeted initial increases in processing volumes of up to ~100%, the processing of all material from 1.0mm to 45.0mm, and the potential for yet additional capacity and operational efficiencies in the long-term.

A summary of the equipment acquired and the expansions completed during the quarter ending December 31, 2016, along with their potential benefits moving forward is as follows:

- The Company received final approval for, and completed the installation of, four additional water boreholes and the required pipelines for each. These additions increase the total number of operational boreholes/pipelines established at the Project to seven, and are aimed at supporting both the short and long-term needs of the Project.
- The installation of a crushing circuit at the Project's in-field dry-screening plant was completed. Previous efforts aimed at the development of the dry-screening plant focused on achieving high volume screening to remove fine material under 1.0mm in size without the use of water. During these exercises the Company primarily processed material in the +1.0mm to -15.0mm size fractions, with material in the +15.0mm to -45.0mm size fractions largely stockpiled. The main objective of the new crushing circuit installed is to liberate diamonds from the calcretized material typical of the higher-grade lower basal portion of the deposit, and allow for the simultaneous treatment of all screened material from 1.0mm to 45.0mm which can then be transported to the main treatment plant for processing moving forward.
- The Company completed the installation of a significantly larger dense media separation (DMS) plant at the Project's main treatment facilities. This is aimed at supporting initial processing volume increases of ~100%, with the potential for additional increases over the long-term. The upgrading of various screening components, material handling systems, and water recovery systems was also completed, along with the establishment of a dedicated larger material circuit for the treatment of material up to 45.0mm in size. Collectively, all elements are designed to enhance automation and operational efficiencies for the long-term.
- As part of the expansion efforts, a significantly larger final recovery and sorting facility was installed at the Project. The expanded final recovery facilities include the addition of four new x-ray diamond recovery units to supplement the Project's existing x-ray units, an expanded secondary recovery system, a dedicated large diamond recovery circuit, and the expansion and further automation of the Project's sorting facilities. The new facilities are expected to support not only the Company's short-term targeted increases in processing volumes, but will also facilitate potential expansion in the long-term.

With the installation, commissioning, and calibration of the upgrades complete, the Company is targeting initial processing volume increases of up to ~100% over previous capacities, and the treatment of all material from 1.0mm to 45.0mm moving forward. These elevated processing levels are designed to facilitate additional expanded trial-mining exercises which are aimed at allowing the Company to arrive at initial production decisions for the Project in the near term.

THIRD FISCAL QUARTER ROUGH DIAMOND TENDER AND SALES UPDATE

The Company is also pleased to announce the results of rough diamonds delivered, tendered, and sold in the Company's fiscal quarter ending December 31, 2016 at the Project:

- 4,093.01 carats sold for USD\$558,758.55 in November tender
- 5,342.40 carats sold for USD\$624,925.95 in December tenders
- 9,435.41 carats in total sold for USD\$1,183,684.50 in third fiscal quarter

In an initial tender and sale completed in November, 2016, the Company sold 4,093.01 carats of rough diamonds, for gross proceeds of USD \$558,758.55, resulting in an average price of USD \$136.51 per carat. In tenders and sales completed in December 2016, the Company sold 5,342.40 carats of rough diamonds, for gross proceeds of USD \$624,925.95, resulting in an average price of USD \$116.97 per carat. The combined rough diamonds tendered and sold during the current fiscal quarter were 9,435.41 carats, generating gross proceeds of USD \$1,183,684.50, resulting in an average price of USD \$125.45 per carat. The price per carat realized during the tenders and sales completed during the period continued to reflect price weaknesses in certain categories of rough diamonds, with additional weaknesses experienced in the prices of smaller goods in December due to widely reported currency issues in India during the period.

Total rough diamonds delivered, tendered, and sold in the Company's third fiscal quarter was comparable to the 9,469.34 carats tendered and sold in the Company's third fiscal quarter for the same period during the prior fiscal year, despite the fact the

Company was engaged in significant operational expansion and upgrades during the current quarter. Rough diamonds tendered were the result of processing material in the +1.0mm to -15mm size fractions, along with limited processing of material from larger size fractions during the period. The combined efforts currently underway are designed to support the continued advancement of objectives consistent with the recommendations of the updated NI 43-101 Technical Report ("Updated Technical Report") filed by the Company on April 28, 2015, and to aid the Company in arriving at initial production decisions for the Project. The recovery of all rough diamonds to date are incidental to the ongoing commissioning and testing exercises performed at the Project. The above-noted testing exercises and incidental recoveries do not form part of the Updated Technical Report and therefore no general grade, price, or quality determination is intended by the Company at this time due to the nature and purpose of the processing of this material.

About Diamcor Mining Inc.

[Diamcor Mining Inc.](#) is a fully reporting publically traded junior diamond mining company which is listed on the TSX Venture Exchange under the symbol V.DMI, and on the OTC QX International under the symbol DMIFF. The Company has a well-established operational and production history in South Africa and extensive prior experience supplying rough diamonds to the world market.

About the Tiffany & Co. Alliance

The Company has established a long-term strategic alliance and first right of refusal with Tiffany & Co. Canada, a subsidiary of world famous New York based Tiffany & Co., to purchase up to 100% of the future production of rough diamonds from the Krone-Endora at Venetia Project at then current prices to be determined by the parties on an ongoing basis. In conjunction with this first right of refusal, Tiffany & Co. Canada also provided the Company with financing to advance the Project. Tiffany & Co. is a publically traded company which is listed on the New York Stock Exchange under the symbol TIF. For additional information on Tiffany & Co., please visit their website at www.tiffany.com.

About Krone-Endora at Venetia

In February 2011, Diamcor acquired the Krone-Endora at Venetia Project from De Beers Consolidated Mines Limited, consisting of the prospecting rights over the farms Krone 104 and Endora 66, which represent a combined surface area of approximately 5,888 hectares directly adjacent to De Beers' flagship Venetia Diamond Mine in South Africa. On September 11, 2014, the Company announced that the South African Department of Mineral Resources had granted a Mining Right for the Krone-Endora at Venetia Project encompassing 657.71 hectares of the Project's total area of 5,888 hectares. The Company has also submitted an application for a mining right over the remaining areas of the Project. The deposits which occur on the properties of Krone and Endora have been identified as a higher-grade "Alluvial" basal deposit which is covered by a lower-grade upper "Eluvial" deposit. The deposits are proposed to be the result of the direct-shift (in respect to the "Eluvial" deposit) and erosion (in respect to the "Alluvial" deposit) of material from the higher grounds of the adjacent Venetia Kimberlite areas. The deposits on Krone-Endora occur in two layers with a maximum total depth of approximately 15.0 metres from surface to bedrock, allowing for a very low-cost mining operation to be employed with the potential for near-term diamond production from a known high-quality source. Krone-Endora also benefits from the significant development of infrastructure and services already in place due to its location directly adjacent to the Venetia Mine.

Qualified Person Statement:

Mr. James P. Hawkins (B.Sc., P.Geo.), is Manager of Exploration & Special Projects for [Diamcor Mining Inc.](#), and the Qualified Person in accordance with National Instrument 43-101 responsible for overseeing the execution of Diamcor's exploration programmes and a Member of the Association of Professional Engineers and Geoscientists of Alberta ("APEGA"). Mr. Hawkins has reviewed this press release and approved of its contents.

On behalf of the Board of Directors

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This press release contains certain forward-looking statements. While these forward-looking statements represent our best current judgement, they are subject to a variety of risks and uncertainties that are beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Further, the Company expressly disclaims any obligation to update any forward looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

WE SEEK SAFE HARBOUR

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE [Diamcor Mining Inc.](#)

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