Shares Issued and Outstanding: 54,659,623
TSXV:DMI
OTCQB:DMIFF

KELOWNA, BC, Oct. 10, 2017 /CNW/ - Diamcor Mining Inc., (the "Company") announces the results of the tender and sale of rough diamonds recovered from ongoing exercises performed during the quarter ended September 30, 2017 at the Company's Krone-Endora at Venetia Project (the "Project"). The Company sold 7,771.13 carats of rough diamonds for gross proceeds of USD $1,334,335.41, resulting in an average price of USD $171.70 per carat. As of the end of the quarter, the Company had approximately 2,465.00 additional carats of rough diamonds, before acid washing, which will be tendered in the coming quarter. The Project continued to demonstrate potential for the recovery of larger rough diamonds despite limited processing, with 3 individual rough diamonds in the specials category (+10.8 carats), and 35 individual rough diamonds over 5 carats in size recovered and sold during the quarter. Given the continued price weaknesses in certain categories of rough diamonds during the period, the Company was pleased with the average dollar per carat achieved, which is indicative of the overall quality of the Project's rough diamonds.

Operational Update

The testing, commissioning and calibration of the facilities at the Project continued during the quarter, with an emphasis on refining the Project's newly expanded facilities to increase processing volumes, increase the efficiencies of the screening of material at the Project's In-field Dry-Screening plant, and improve the recovery of water from the Project's settling dams. Both of the Project's processing plants are now complete and capable of processing material at significantly higher volumes; however, insufficient recoveries of water from the Project's settling dams limited the Company's ability to operate these plants at their designed capacities during the period. The Company's operational team, in conjunction with various consultants, performed testing on both the Project's water quality and the material being processed during the quarter, and have identified that the cause of the issue is related to the combined borehole water quality and the excessively suspensive properties of the very fine kimberlitic clay materials of the Project. The Company has long identified the removal of fines as a key element of the Project, and has expended significant resources and time in the development of the Project's In-field Dry Screening plant to address this issue. While those efforts have succeeded in removing a significant amount of the fine material, the current issue is a result of the additional fines which are created after the introduction of water at the Project's Main Treatment Plant. Testing and initial modelling performed by Vietti Slurrytec in Johannesburg indicate the challenge can be alleviated through water treatment and paste thickening solutions. As a result, the Company is now finalizing plans to deal with this issue in the near-term. In the meantime, additional efforts are underway to minimize the negative impact of the issue in the short-term through an additional screening circuit at the In-field Dry-Screening facilities. These efforts are aimed at further liberating and removing additional fine materials under 1.0mm prior to their delivery to the Project's Main Treatment plant. The installation of automated water control valves is also being completed to lower overall water consumption until the noted water treatment and paste thickening solution can be finalized. The newly expanded facilities are performing well with the issue of water recoveries being the only limiting factor, and the Company is confident that processing volumes can be significantly increased once the noted solution for this issue can be implemented.

"it is unfortunate that the material being processed through our larger facilities reacts in a manner which does not allow us to recover/recycle sufficient water from the current settling dams; however, we firmly believe this is the only item limiting the processing of materials at much higher levels, and the solution we have identified will not only address this issue, but will also provide other operational benefits over the long-term", noted Diamcor's CEO Mr. Dean Taylor. "With the Project's newly expanded facilities, permitting, and infrastructure in place and the average dollar per carat continuing to confirm the quality of the Project's diamonds, we are confident that implementing the new water recovery solution will allow us to demonstrate the considerable value proposition of the Project in the near-term", added Mr. Taylor.

The combined testing, commissioning, and calibration exercises 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 QB 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

Mr. Dean H. Taylor
President & CEO
Diamcor Mining Inc.
DTaylor@diamcormining.com
Tel (250) 864-3326
www.diamcormining.com

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.

Contact
Mr. Dean H. Taylor, President & CEO, Diamcor Mining Inc., DTaylor@diamcormining.com, Tel (250) 864-3326, www.diamcormining.com