Shares Issued and Outstanding: 49,602,714
TSXV: DMI
OTCQX: DMIFF

KELOWNA, BC, Nov. 2, 2016 /CNW/ - Diamcor Mining Inc. (TSX-V.DMI / OTCQX-DMIFF), (the "Company") is pleased to provide an update on the acquisition of operational equipment associated with the closing of the oversubscribed $5.8M private placement previously announced on August 31, 2016. The acquisition of additional operating equipment at the Company's Krone-Endora at Venetia Project (the "Project") is aimed at supporting increased processing volumes, incorporating the processing of large material up to 45.0mm, establishing a dedicated large diamond recovery circuit, and increasing the capacity of the Project's final diamond recovery facilities. Work on the various updates/expansions commenced during the previous quarter is targeted for completion prior to the end of the current quarter.

Water Infrastructure Update

The Company previously announced the completion of two of the four additional planned boreholes/pipelines associated with the granting of the Project's Water Use License. All infrastructure has been completed as envisioned, increasing the total number of boreholes and pipelines established at the Project from three to seven. The additional infrastructure and water resources are designed to support the current needs of the Project and, while no further requirements in this area are envisioned for the near-term, the Company will continue to evaluate additional sources of water to support potential growth requirements in the future.

In-Field Dry Screening Plant Update

The Project's in-field dry-screening plant is an important element in the Project's success and has been extensively tested, refined, and developed to achieve the Company's target of reducing the material recovered from the quarry by as much as 60% (prior to its transport to the main treatment plant) through removal of fine materials under 1.0mm in size. Recent efforts in developing this facility largely focused on the processing of material in the +1.0mm to -15.0mm size fractions, with material in the +15.0mm to -45.0mm size fractions being stockpiled pending the final decisions on a dedicated large material crushing circuit. The installation of the finalized crushing circuit at the Project is aimed at enhancing processing/recoveries by liberating any diamonds held in the larger calcretized material previously stockpiled, while providing the potential to recover large diamonds above 15.0mm in a dedicated large diamond recovery circuit being installed at the Project's main treatment plant. Upon completion, all material up to 45.0mm will be processed concurrently moving forward, and approximately 550,000 tons of large material previously stockpiled will also be processed over the coming quarters. In conjunction with the efforts underway on the installation of the finalized crushing circuit, additional dust suppression systems are being installed at the dry-screening plant. The finalization of the crushing circuit is expected to be the first of the current upgrades/expansions to be completed and operational prior to the end of November.

Main Treatment Plant

Expansions underway at the Project's main treatment plant are designed to support planned increases in processing volumes, the processing of material up to 45.0mm, the establishment of a dedicated large diamond recovery circuit, and the expansion of the Project's final recovery systems. The efforts include the expansion/increase in the size of the Project's Dense Media Separation (DMS) unit to support added processing volumes, the installation of four new x-ray diamond recovery units, and the expansion of the Project's final recovery and sorting facilities. Additional items aimed at further enhancing water consumption efficiencies and the recoveries of waste water for the long-term are also being completed as part of the process. Many of the upgrade components are being fabricated off-site in a modular fashion to minimize the impact on current operations during installation. Once installation is complete, these upgrades are collectively designed to enable the Company to test and evaluate potential initial processing volume increases of up to 100% and to facilitate additional expanded trial-mining exercises aimed at allowing the Company to arrive at initial production decisions for the Project in the near term. The procurement of equipment began in the previous quarter and installation remains on-track for completion prior to the end of the current quarter.

Final Recovery Expansion

As part of the expansions/upgrades underway, the Company elected to also expand and further automate the Project's final recovery facilities. As previously mentioned, four additional x-ray diamond recovery units are being supplied by Flow Electronics (Pty) Ltd, with three units being earmarked for use on small and mid-size fractions of material, with the fourth being allocated to the dedicated large diamond recovery circuit being installed. In conjunction with the delivery of the modules housing these additional x-ray recovery units, other modules aimed at upgrading, automating, and expanding the sorting facilities at the Project will also be installed. The Company expects items associated with the dedicated larger diamond recovery circuit to be completed prior to the end of November, with other associated items on-track for completion prior to the end of the current quarter.

About Diamcor Mining Inc.

Diamcor Mining Inc. is a fully reporting publicly 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 publicly 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 an average total depth of less than 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

SOURCE Diamcor Mining Inc.

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