Shares Issued and Outstanding: 49,702,714
TSXV:DMI
OTCQX:DMIFF

KELOWNA, BC, May 18, 2017 /CNW/ - Diamcor Mining Inc., (the "Company") is pleased to announce the results of its second tender and sale of rough diamonds from the processing of material in the +1.0mm to -45.0mm size fractions through the newly expanded facilities at the Company's Krone-Endora at Venetia Project (the "Project"). In this second tender of the current quarter, the Company sold 3,265.07 carats of rough diamonds for gross proceeds of USD $702,635.70, resulting in an average price of USD $215.20 per carat. The tender included the sale of three rough diamonds in the specials category (+10.8 carats): a 12.80 carat, a 12.89 carat gem quality, and a 13.51 carat rough diamond. The Company previously announced on April 10, 2017, an initial tender and sale of 2,900.62 carats of rough diamonds from the newly expanded facilities, which generated gross proceeds of USD $810,106.26, resulting in an average price of USD $279.29 per carat. That tender included the sale of four rough diamonds in the specials category (+10.8 carats), all of which were gem quality: a 12.13 carat, a 15.46 carat, a 17.97 carat, and a 29.1 carat. This brings the total rough diamonds tendered and sold from processing through the newly expanded facilities to 6,165.69 carats, with seven individual rough diamonds being in the specials category (+10.8 carats), generating gross proceeds of USD $1,512,741.96 and resulting in an average price of USD $245.35 per carat. The Company plans to complete a third tender and sale prior to the end of the current quarter.

"We're very pleased with the results of these initial tenders and sales of rough diamonds from our newly expanded facilities, especially at a time when many operators are experiencing lower than expected results due to continued weakness in rough diamond prices", noted Diamcor's CEO Mr. Dean Taylor. "The results are very encouraging, and given they are from the initial processing of material at a time when the new components are being calibrated and refined, they certainly point to the potential benefits that the crushing and treatment of material up to 45.0mm through these new facilities have when compared to previous tenders and sales of material processed through the previous facilities in the +1.0mm to -15.0mm size fractions", adds Mr. Taylor.

Operational Update

The testing, commissioning and calibration of the newly expanded facilities at the Project continued to progress well during the quarter, with overall increases in processing volumes and reliability now consistently being achieved. The crushing and treatment of material up to 45.0mm is also performing well, with no significant issues or breakage of rough diamonds to report in this area of the plant. Initial issues with blockages in the Project's dedicated ultra-course large diamond recovery circuit were experienced early in the quarter, however modifications and refinements to that circuit have now been substantially completed to enhance the operational reliability and increase throughput capacity in this area moving forward. The Project's newly expanded sorting facilities are operating as envisioned, with no major issues to report in that area. While increased processing capacities and reliabilities are now being achieved, further efforts are underway to reduce the total quantity of fines in the current material reporting to the Main Treatment Plant including the addition of a high-frequency screening unit at the Project's In-field Dry Screening Plant. This item is aimed at further enhancing the overall quality and pre-concentration of the material being delivered to the Main Treatment Plant through the removal of additional fines, while providing for additional savings in water consumption and enhancing overall long-term processing capacities. The screening unit is expected to be completed and incorporated into the processing circuit prior to the end of the current quarter.

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 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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