

Diamcor Reports Profit in Second Fiscal Quarter and Provides Operational Update

14.11.2019 | [CNW](#)

Shares Issued and Outstanding: 65,311,488

TSXV:DMI

OTCQB:DMIFF

KELOWNA, BC, Nov. 14, 2019 /CNW/ - [Diamcor Mining Inc.](#) (TSX-V:DMI / OTCQB:DMIFF), (the "Company") is pleased to report net income of \$350,676 for the period ended September 30, 2019, a significant increase when compared to a net loss of (\$417,368) realized during the same period in the prior fiscal year.

During the second fiscal quarter ended September 30, 2019 the Company tendered and sold 3882.82 carats of rough diamonds, generating revenues of \$730,962 (USD \$569,059), which resulted in an average price of (US) \$146 per carat. This is a decrease when compared to revenues of \$1,041,470 (USD \$726,846) and an average of (US) \$278 per carat realized during the same period in the prior fiscal year in which several larger diamonds in the +10.8 special category were recovered, tendered, and sold. The decrease in overall sales volumes during the current quarter was the result of the timing of rough diamond tenders during the current quarter with the final tender not closing until October of 2019, after the fiscal quarter, and reduced processing volumes due to contract heavy equipment reliability issues experienced early in the second quarter.

Operating expenses in the second fiscal quarter were (\$403,929), as compared to \$521,429 incurred during the same period in the prior year. The Company realized negative operating expenses during the second quarter for three reasons; reduced heavy equipment and fuel expenses as compared to the same period during the previous fiscal year, a management negotiated reduction of approximately \$320,000 to the payable associated with the Company's previous heavy equipment contractor and, finally, a significant increase in rough diamond inventory stock on hand at the end of the second fiscal quarter. The Company recorded \$918,183 in rough diamond inventory at the end of the fiscal quarter. The Company anticipated reduced operating expenses during the quarter for the reasons set forth, however the Company also realized lower expenses as a result of the improving efficiencies being realized from its new operational management team and the enhanced operating practices and procedures being implemented. Lower operating expenses are expected to continue into the Company's third fiscal quarter ending December 31, 2019.

General and administrative expenses for the period ended September 30, 2019 were \$793,864, a significant reduction when compared to \$949,329 realized in the same period during the prior year. Other income and expenses remained relatively unchanged during the comparative periods.

The Company's primary focus during the second fiscal quarter was on the processing of concentrate tailings. The efforts being performed by the Company's newly appointed operational management team have identified and corrected various key issues experienced with past processing, which is evident given the quantity and quality of rough diamonds being recovered during these exercises. Recently corrected and enhanced operating practices and procedures provides the potential for increased recoveries on a per ton basis as the Company transitions back to the processing of material from the quarry in the coming weeks. In addition to the potential for increased recoveries of rough diamonds recovered per ton of material processed, the lower average dollar per carat currently being realized from the concentrate tailings being processed is expected to return to higher historical averages as material from the quarry is processed, as the Company expects a more balanced historical percentage of rough diamonds in all size fractions to be recovered.

The Company previously identified issues with past contract equipment reliability and, in addition to negotiating a reduction in expenses payable, plans to replace this contractor through the deployment of new larger and more efficient heavy equipment. The Company is in advanced stage discussions with several manufacturers and providers of heavy equipment such as trucks, excavators and loaders, and expects to finalize arrangements for the deployment of new equipment to the mine site in the coming weeks. The Company should not only realize an improvement in the reliability of heavy equipment, but this change should also increase the overall tonnage being mined while reducing the operating expenses realized per tonne mined. The Company will provide additional information on these discussions in the coming weeks.

The Company's recently filed financial statements for the quarter ended September 30, 2019 and accompanying Management Discussion and Analysis can be viewed by interested parties on SEDAR at www.sedar.com.

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 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 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 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.

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