

Diamcor Provides Final Update on Rough Diamond Tenders for First Fiscal Quarter

- 3,031.95 carats sold for USD\$ 386,992.89 in tender completed in April, 2016
- 4,789.18 carats sold for USD\$ 564,639.06 in tender completed in May, 2016
- 5,563.59 carats sold for USD\$ 954,346.49 in tender completed in June, 2016
- 13,384.72 carats sold for USD\$1,905,978.44 in all tenders completed in fiscal Q1

Shares Issued and Outstanding: 44,311,169

TSXV: DMI

OTCQX: DMIFF

KELOWNA, BC, June 27, 2016 /CNW/ - Diamcor Mining Inc. (TSX-V:DMI / OTCQX:DMIFF), (the "Company") is pleased to announce the final results of rough diamonds delivered, tendered, and sold in the Company's first fiscal quarter ending June 30, 2016 from its Krone-Endora at Venetia project in South Africa (the "Project").

As previously announced on June 2, 2016, the Company completed the tender and sales of 3,031.95 carats of rough diamonds in April 2016, for gross proceeds of USD \$386,992.89, resulting in an average price of USD \$127.64 per carat. In tender and sales completed in May 2016, the Company sold 4,789.18 carats of rough diamonds, for gross proceeds of USD \$564,639.06, resulting in an average price of USD \$117.90 per carat. An additional 646.56 carats of rough diamonds, which included 148.29 carats of higher quality goods, were withdrawn from the second tender and sales held in May, and included in the third tender in June of 2016. In the final tender and sale for the quarter held in June 2016, the Company sold a combined total of 5,563.59 carats of rough diamonds, for gross proceeds of USD \$954,346.49, resulting in an average price of USD \$171.53 per carat. This brings the final combined rough diamonds tendered and sold during the first fiscal quarter ending June 30, 2016 to 13,384.72 carats, generating gross proceeds of USD \$1,905,978.44, resulting in an average price of USD \$142.40 per carat.

The price per carat realized during the tenders completed during the period were consistent with Company expectations for the goods being offered, and reflect the price weakness in certain categories of rough diamonds during the period. Rough diamonds delivered, tendered and sold in the current period were the result of rough diamonds recovered prior to May 29, 2016. Rough diamonds recovered after May 29 and until June 30, 2016 will be recorded as rough diamond inventory on-hand for the first fiscal quarter ending June 30, 2016.

The first fiscal quarter rough diamond tender and sales of 13,384.72 carats of rough diamonds represent a ~469% increase when compared to the 2,856.24 carats tendered and sold in the Company's first fiscal quarter ending June 30, 2015. Total gross revenues of USD \$1,905,978.44 realized during the fiscal quarter ended June 30, 2016 represents a ~419% increase in gross revenues when compared to USD \$455,227.66 reported for the same period in the previous year. Rough diamonds tendered and sold were the result of the continued processing of material in the +1.0mm to -26mm size fractions, along with initial limited processing of material from various larger size fractions up to 45mm 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.

Warrant Extension Approval

The Company previously announced on June 2, 2016, its intention, subject to TSX Venture Exchange approval, to extend the expiry date of 793,892 share purchase warrants ("Warrants") exercisable to purchase up to 793,892 common shares in the authorized share capital of the Company at an exercise price of \$1.75 per share, from June 17, 2016 to June 17, 2017, with all other terms of the Warrants remaining unchanged. The extension of the expiry date of the Warrants to June 17, 2017, as previously announced, has received the required TSX Venture Exchange approval.

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 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
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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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