

**BC FORM 51-102F3**

**Securities Act**

**Material Change Report Under Section 7.1 of NI 51-102**

**ITEM 1**      **Name and Address of Company**

Diamcor Mining Inc. (the “Company”)  
630 – 1620 Dickson Avenue  
Kelowna, BC V1Y 9Y2

**ITEM 2**      **Dates of Material Change**

August 31, 2016

**ITEM 3**      **News Release**

A news release announcing the material change was disseminated on September 1, 2016, through the CNW Group and through SEDAR.

**ITEM 4**      **Summary of Material Changes**

The Company announces that it has closed its partially brokered and partially non-brokered private placement financing (the “Offering”) which was initially announced on August 23, 2016. The Offering was oversubscribed resulting in a final issuance of 5,291,545 Units (the “Units”) at a price of CDN\$1.10 per Unit for gross proceeds of CDN\$5,820,699.50, with over 90% of the Units being acquired by institutional investors. Each Unit consists of one common share (a “Share”) of the Company, and one-half of one common share purchase warrant (a “Warrant”). Each whole Warrant will entitle the holder thereof to purchase one Share at an exercise price of CDN\$1.60 until August 31, 2019. The Shares and Warrants are subject to a hold period ending on January 1, 2017.

In connection with the brokered portion of the Offering, the Company (i) paid an aggregate cash commission of CDN\$326,999.97 to Echelon Wealth Partners Inc. (“Echelon”), representing 6% of the gross proceeds received from subscribers introduced to the Company by Echelon and (ii) issued an aggregate of 297,273 non-transferable warrants to Echelon (the “Echelon Broker Warrants”), representing 6% of the number of Units sold to subscribers introduced to the Company by Echelon. Each Echelon Broker Warrant entitles the holder to purchase one Share of the Company at an exercise price of CDN\$1.60 until August 31, 2019. The Echelon Broker Warrants will also be subject to a hold period ending on January 1, 2017.

In connection with the non-brokered portion of the Offering, the Company (i) paid to certain finders an aggregate cash commission of CDN\$10,230, representing 6% of the gross proceeds received from subscribers introduced to the Company by such finders; and (ii) issued an aggregate of 9,300 non-transferable warrants to such finders (the “Finder’s Warrants”), representing 6% of the number of Units sold to subscribers introduced to the Company by such finders. Each Finder’s Warrant entitles the holder to purchase one

Share of the Company at an exercise price of CDN\$1.60 until August 31, 2019. The Finder's Warrants will also be subject to a hold period ending on January 1, 2017.

**ITEM 5**      **Full Description of Material Change**

The Company announces that it has closed the Offering which was initially announced on August 23, 2016. The Offering was oversubscribed resulting in a final issuance of 5,291,545 Units at a price of CDN\$1.10 per Unit for gross proceeds of CDN\$5,820,699.50, with over 90% of the Units being acquired by institutional investors. Each Unit consists of one Share of the Company, and one-half of a Warrant. Each whole Warrant will entitle the holder thereof to purchase one Share at an exercise price of CDN\$1.60 until August 31, 2019. The Shares and Warrants are subject to a hold period ending on January 1, 2017.

The Warrants comprising the Units are subject to restrictions on exercise which prohibits the exercise, if, after giving effect to such exercise, the beneficial owner of the Shares acquired on the exercise of the Warrants, together with any person acting jointly or in concert with such beneficial owner, would in the aggregate beneficially own (including deemed beneficial ownership, as such term is described in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*), or exercise control or direction over, directly or indirectly, that number of voting or equity securities of the Company which is more than 9.99% of the total issued and outstanding voting or equity securities of the Company, immediately after giving effect to such Warrant exercise.

In connection with the brokered portion of the Offering, the Company (i) paid an aggregate cash commission of CDN\$326,999.97 to Echelon, representing 6% of the gross proceeds received from subscribers introduced to the Company by Echelon and (ii) issued an aggregate of 297,273 Echelon Broker Warrants, representing 6% of the number of Units sold to subscribers introduced to the Company by Echelon. Each Echelon Broker Warrant entitles the holder to purchase one Share of the Company at an exercise price of CDN\$1.60 until August 31, 2019. The Echelon Broker Warrants will also be subject to a hold period ending on January 1, 2017. The Company also paid Echelon an aggregate of \$34,072.50 (including applicable taxes) on account of certain legal and other expenses incurred by Echelon in respect of the Offering.

In connection with the non-brokered portion of the Offering, the Company (i) paid to certain finders an aggregate cash commission of CDN\$10,230, representing 6% of the gross proceeds received from subscribers introduced to the Company by such finders; and (ii) issued an aggregate of 9,300 Finder's Warrants, representing 6% of the number of Units sold to subscribers introduced to the Company by such finders. Each Finder's Warrant entitles the holder to purchase one Share of the Company at an exercise price of CDN\$1.60 until August 31, 2019. The Finder's Warrants will also be subject to a hold period ending on January 1, 2017.

The Offering received final approval of the TSX Venture Exchange on September 2, 2016.

Proceeds from the Offering will be used for the acquisition of additional operational equipment and materials to support the continued advancement of the Company's Krone-Endora at Venetia Project, and for general and administrative purposes.

