

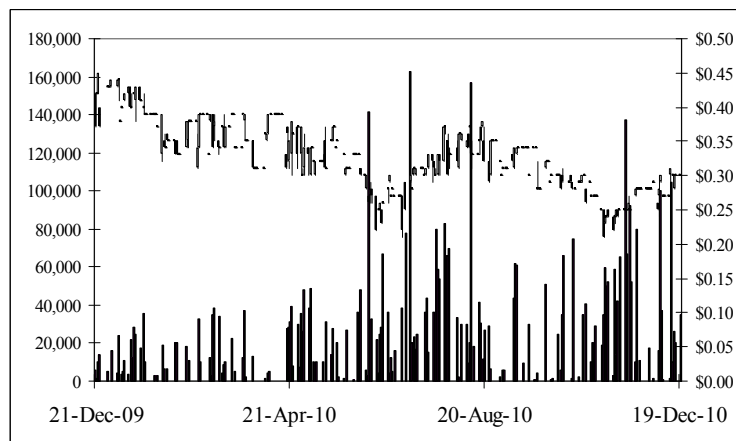
Diamcor Mining Inc. (TSXV: DMI) – Finalizes Acquisition of Krone-Endora and Appoints New CFO

Sector/Industry: Junior Mining/Exploration

www.diamcormining.com

Market Data (as of December 20, 2010)

Current Price	C\$0.30
Fair Value	C\$0.65
Rating*	BUY
Risk*	5 (Highly Spec)
52 Week Range	C\$0.21 - C\$0.45
Shares O/S	25,618,283
Market Cap	C\$7.69 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	4.04
YoY Return	-18.9%
YoY TSXV	51.0%



*see back of report for rating and risk definitions

Krone-Endora Project Acquisition Finalized

Since our initiating report, Diamcor has satisfied all the requirements for the acquisition of the Krone-Endora Project from De Beers. The company announced that the cession of the Sale Prospecting Rights for the Project from De Beers to DMI Minerals South Africa (Pty) Ltd (a 70%-owned subsidiary of Diamcor Mining Inc.) was completed. Upon confirmation of registration in the Department's Mineral and Petroleum Titles Registration Office, all closing documents and payments will be released from escrow and the transaction will be concluded.

By finalizing this acquisition, Diamcor is one step closer to the production stage and has significantly reduced the risk associated with the company. Diamcor plans to proceed with the recommendations from the recently completed independent NI43-101 technical report. Immediate development includes taking the project to a bulk sampling stage and completing additional property wide drilling.

New CFO Appointed

In October 2010, Mr. Darren Vucurevich was appointed as the CFO of Diamcor. His biography, as provided by the company, follows.

Mr. Vucurevich was appointed to, and has been a member of, the Diamcor Board of Directors since July of 2005. A graduate of the University of Lethbridge in 1992, Mr. Vucurevich followed with his Certified

Management Accountant designation in 1995. Since becoming a part of the Diamcor Board in 2005, Mr. Vucurevich has worked closely with the current management to ensure that all elements of the Company's international operations, accounting, banking, and reporting are continually advancing and developing to meet the requirements associated with its planned growth. Mr. Vucurevich currently operates a successful public accounting practice, and has also owned and managing various other successful companies.

Financials - The company is in a sound cash position. At the end of September 2010, the company had \$2.28 million in cash. Management estimates the company has sufficient funds to proceed with the initial drilling and bulk work.

At the end of September 2010, the company had 9.30 million warrants (weighted average exercise price of \$0.50) and 3.67 million stock options (weighted average exercise price of \$0.35) outstanding. None of the options or warrants are currently in the money.

Rating: We maintain our **BUY rating and our fair value estimate at \$0.65 per share** (Risk 5: Highly Speculative).

Fundamental Research Corp. Equity Rating Scale:

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

Hold – Annual expected rate of return is between 5% and 12%

Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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The distribution of FRC's ratings are as follows: BUY (74%), HOLD (7%), SELL (4%), SUSPEND (15%).

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