<u>Form 51-102F1</u>
<u>For the Year Ended March 31, 2009</u>

<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>

(*Prepared as of July 28, 2009)*

The following is management's discussion and analysis ("MD&A") of the results of operations for Diamcor Mining Inc. ("Diamcor" or the "Company") for the fiscal year ended March 31, 2009, and its financial position as at March, 31, 2009. This MD&A is based on the Company's consolidated financial statements prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") and should be read in conjunction with the consolidated financial statements and notes thereto. Unless otherwise specified, all financial information is presented in Canadian dollars.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding projected capital expenditure requirements, estimated productions, plans, timelines and targets for construction, joint venture relationships, the closing of anticipated acquisitions, mining, development, production and exploration activities, future mining and processing, the number and timing of expected rough diamond sales, projected sales growth, expected gross margin and expense trends, expected diamond prices and expectations concerning the diamond industry.

Forward-looking information is based on certain factors and assumptions regarding, among other things, mining, production, construction and exploration activities, world economic conditions, the level of worldwide diamond production, and the receipt of necessary regulatory permits. With respect to statements concerning sales growth, Diamcor has assumed that current world economic conditions will not materially change or deteriorate. While Diamcor considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. These factors include, among other things, the uncertain nature of mining activities, risks associated with joint venture operations, risks associated with the remote locations of certain mine sites, risks associated with regulatory requirements, fluctuations in diamond prices and changes in world economic conditions and the risk of fluctuations in the foreign currency exchange rate. Please see page 13 of this MD&A for a discussion of these and other risks and uncertainties involved in Diamcor's operations.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While Diamcor may elect to, it is under no obligation and does not undertake to update this information at any particular time, except as required by law.

OVERVIEW

Diamcor Mining Inc. is a junior mining and exploration company incorporated in the Province of British Columbia and Governed by the Business Corporations Act (BC) with established historical operations and key strategic relationships within the Republic of South Africa. It is listed on the TSX Venture Exchange under the symbol DMI. Its principal business is the acquisition, operation, exploration and development of diamond based resource properties with a focus on the mining segment of the diamond industry. The Company's strategy is to be a supplier of rough diamonds to the global market.

CORE BUSINESS AND STRATEGY

The Company continues to pursue the acquisition and development of diamond related properties in South Africa. The Company has an established operating team with significant industry knowledge of the Diamond mining industry, and the current strategy remains the pursuit of opportunities which demonstrate an ability to provide near-term diamond production and cash flow over a long-term project life. This strategy is being implemented and demonstrated through its efforts to acquire projects such as the De Beers Krone-Endora project, which the Company announced it had signed a definitive sale of assets agreement for on December 22, 2009. The Company is working towards the successful closing of this transaction and continuation of its efforts to pursue additional mining opportunities in South Africa. The Company believes its current strategy will allow it to take advantage of anticipated returns to historically higher diamond prices in the future, and the long-standing industry projected future shortfall of the world diamond producers abilities to meet the long-term increasing demands from emerging markets such as China and India. As part of the implementation of the Company's desired near-term production strategy, management classifies all potential projects being considered into three distinct diamond project categories, all of which have typical expectations with regards to timeframes to production and associated development costs. The three basic diamond project categories as defined by the Company are - Primary Kimberlite Projects, Alluvial / Eluvial Projects, and Tailings Re-Treatment Projects. These project categories are briefly explained as follows:

Primary Kimberlite Projects - The Company defines Primary Kimberlite Projects as any diamond project which involves the exploration for, or underground mining of, any new or existing kimberlite source, these areas being the primary source where diamonds originate from. Although this type of exploration, and any such resulting project, could provide an extreme economic benefit to the Company in the long-term, primary kimberlite diamond exploration is accepted to be an inherently high risk proposition which requires the commitment of significant high-risk capital to support the ongoing economic evaluation needed. Associated long lead times of five to seven+ years to production are typical, as is capitalization into the hundreds of millions of dollars and technical expertise currently outside the primary scope of the Company's current abilities and focus. The Company's initial involvement in such projects may occur should the Company acquire other projects (as described below) and then discover new kimberlite pipes or blows of interest on those properties. Should this occur the Company does have the ability to perform initial exploration efforts to define the potential significance of such a find, after which it is anticipated any warranted additional efforts would be completed in conjunction with a suitable larger joint venture partners in order to offset associated costs and minimize risk.

Alluvial / Eluvial Projects - The Company defines Alluvial / Eluvial Projects as the exploration for, and mining of, near surface diamond bearing gravels. Alluvial gravels are the result of the pre-historic erosion of the top surface areas of primary kimberlite sources, and the recovery and processing of those associated gravels to recover transported diamonds which have then been deposited along reasonably well defined areas over which these ancient rivers once flowed. These deposited / settled alluvial gravels and the associated diamonds are then found under varying layers of surface structure along graduating terraces in the various key areas over which these paleo-rivers once ran. Diamond bearing alluvial gravels typically produce gem quality stones as a result of the way and distance they have been moved by the paleo-rivers from their originating sources, and the washing or rolling effect of transporting the diamonds tends to destroy small, lower quality stones during the process, while polishing, rounding, and depositing the larger better quality stones into the various settlement areas. Unlike the capital intensive methods of recovering diamonds underground from a primary kimberlite source, the alluvial gravel recovery process is done via a simple strip mining and earth moving process using heavy equipment with no requirement for any underground work or associated infrastructure. Exploration of potential alluvial properties to locate diamond bearing gravels also involves less capital intensive methods. Initial exploration on potential alluvial properties begins in well known areas with satellite, air and land based geological and geophysical work in conjunction with shallow drilling and bulk sampling which can then be used to produce a three dimensional model to calculate inferred resource estimates for quantities of gravels and diamonds, their depth from surface, and the geological make-up of the overburden to be removed. Alluvial projects have the ability for short term production and thus the Company's strategy includes the identification, exploration, and potential acquisition of larger new and existing alluvial projects in selected areas where successful alluvial operations currently exist.

Eluvial projects are similar in nature to alluvial projects with regards to production requirements, however they are rare and unique due to the fact that they occur next to a known primary source. In typical alluvial deposits, the above noted constant flowing pre-historic paleo-rivers slowly erode the resulting deposit and diamonds away from the source, and then deposit them downstream at various collection or settling points. In contrast, eluvial deposits are typically the result of short-duration erosion or weathering in conjunction with a gravitational movement which forms the resulting accumulation and deposit directly adjacent to the primary source. Eluvial deposits present certain advantages in that the resulting deposit has not moved any significant distance, and thus it tends to more closely mirror the characteristics of the primary source allowing for more a definitive understanding of the deposit in general. Eluvial deposits when compared with alluvial deposits tend to retain the same, if not greater, possibility for larger diamonds to exist, but include the added benefit that smaller diamonds are also retained as opposed to destroyed due to the short-duration of the event causing their deposit, and the short distance travelled. These circumstances can result in much higher grades and better production consistency. The previously mentioned De Beers Krone-Endora project has been identified as an eluvial deposit and is located directly adjacent to South Africa's largest diamond mine, Venetia. Venetia is one of the world's most significant diamond mines with previously published yearly production volumes of approximately 9.0 million carats, with 85% of all diamonds recovered being classified as gem quality.

Tailings Re-Treatment Projects - The Company has extensive experience and a proven track record in the mining and recovery of diamonds through the re-processing, or re-treatment, of kimberlite tailings. South Africa has a long and extensive history of large kimberlite diamond mines dating back over 100 years, and that history presents a significant opportunity for newer and more modern processing and recovery methods to be implemented on the remaining vast stockpiles of previously processed tailings materials. These historical mines worked and recovered many millions of tons of diamondiferous kimberlite material from open pit and deep underground mining at what are now known to be some of the most famous diamond mines in the world. The ability to use newer and more efficient processing plants and methods to re-process the stockpiled kimberlite tailings from these mines to recover the remaining diamonds missed years ago presents a significant opportunity for the Company. These large above ground tailings stockpiles can be easily quantified, graded and valued to produce reliable modeling of processing costs and expected revenues. The Company sees this method of diamond mining as an opportunity to establish further stable sources of long-term revenue for the Company and it remains a key focus of the Company's ongoing strategy. The Company plans to continue its ongoing efforts to identify, evaluate, and acquire large sources of quality diamond tailings to enhance its ongoing growth strategy.

KEY PERFORMANCE DRIVERS AND RECENT EVENTS

Trade publications and industry experts widely reported a continuing trend of steadily increasing rough diamond prices right into the early part of 2008. During recent years diamond demand had continued to grow and experts predicted that demand would soon exceed available supply. This expected supply shortfall was projected to last for the foreseeable future and continue to increase moving forward with an expected resulting upward pressure on prices. The onset of the now well documented global financial crisis of late 2008 and 2009 had profound effects on all sectors, and the diamond market was not spared. Analysts, industry experts, and trade publications all reported a vast softening of diamond prices and short-term demand across-the-board, and noted that various diamond producers including the world's number-one supplier, De Beers, had elected to decreased production levels in response to the reduced diamond demand and pricing. Although there is a likelihood of a continued near-term reduction in demand from the United States due to the global financial crisis, industry experts anticipate increasing demands from the vast emerging markets of China, India, and the Middle East in the near future are promising. As of mid-2009 diamond pricing had already began to show signs of recovery and the Company believes that should it be successful in closing projects such as Krone-Endora, its expected timeframes to production could allow it to be well positioned to take advantage of any returns to the historical pricing and the past supply-demand shortfalls.

As of March 31, 2009 the Company's principal assets were the following: (i) a 100% interest in So Ver Mine (Pty) Ltd. ("So Ver"), a private South African company which owns the land and mining rights to an area on which it previously operated a diamond tailings processing operation near the town of Kimberley, South Africa, (ii) a 70% majority interest in DMI Minerals South Africa (Pty) Ltd. ("DMI Minerals"), which the Company intends to use to acquire the Krone-Endora project from De Beers Consolidated Mines Limited, as previously announced by the Company and discussed in further detail below, (iii) a 100% interest in DMI Diamonds South Arica (Pty) Ltd. ("DMI Diamonds"), an entity which serves as the Company's main corporate entity for its South African projects, operations, initial exploration efforts, and the initial evaluation of all future projects. (iv) a 100% interest in Jagersfontein Diamond Mining Company (Pty) Ltd. ("JDMC"), which the Company intends to use for future growth-oriented acquisitions, (v) a 74% majority interest in Ongoza Mining (Pty) Ltd. ("Ongoza"), an exploration company previously formed to perform initial exploration work on select areas of interest within the Company's So Ver landholdings which are now complete. Below are brief descriptions of each of these assets, and their current status.

So Ver Mine (Pty) Limited - The Company's 100% owned South African subsidiary, So Ver Mine (Pty) Ltd., owns the land and mining rights to an area on which it successfully processed tailings reserves over the past several years. The Company gained significant operational and industry knowledge in the processing of diamond tailings and plans to use this knowledge to acquire new tailings deposits and or tailings operations which provide long-term production and cash-flow. The So Ver production and processing facility was a modern 5 story pan plant designed to re-process tailings reserve material stored on site from surrounding underground kimberlite mines, and was extensively upgraded and operationally enhanced after its acquisition by the Company. Through the use of controlled procedures and efficient operations, the recovery of quality diamonds through the re-processing of tailings materials was a viable and profitable project for the Company. In January of 2007 the Company announced the final quarterly production results for So Ver and confirmed it had effectively completed the processing of the majority of the higher grade tailings at the project and therefore processing was suspended. The focus at So Ver was thus changed to dismantling and salvaging all usable portions of the large plant, ensuring all rehabilitation obligations associated with the facility were in order, and the use of operational staff and resources to assist in the Company's new acquisition and development efforts. The majority of the Company's operational assets reside at the secure So Ver facility with key items being reconditioned for re-deployment and other items no longer required slated for divestiture. On August 7, 2008 the Company announced it had began considering and evaluating various proposals for the planned disposition of these non-core assets as part of its strategy to enable it to focus on new larger production based mining opportunities such as Krone-Endora. On March 19, 2009 the Company announced that it had signed an agreement to divest of the Company's wholly owned So Ver Mine (Pty) Ltd subsidiary for the purchase price of R2 950 000.00 (Approximately $400,000.00 Cnd), however, as of the proposed closing date of March 31, 2009 the purchasing entity was unable to meet the agreed upon conditions of the agreement and an amendment to April 15, 2009 was announced. With this date also not met, the Company elected to exercise it's right to terminate the agreement, and after consideration of various other proposals subsequently announced that it had entered into an agreement with an individual whereby the Company would dispose of a portion of it's landholdings, namely the So Ver farm no. 90, measuring 513.9192 hectares, for the purchase price of R2 000 000.00 (approximately $300,400.00 Cnd). The proposed new sale of land agreement was exclusive of the mining licenses and rights which the Company holds on the lands comprising part of the So Ver farm and the agreement provided that the Company may continue to conduct mining operations on the areas of the So Ver farm permitted by such mining licenses and rights. On July 6, 2009 the Company announced that it had successfully closed on the proposed transaction. In addition to this completed sale of land agreement the Company plans to continue exploring alternatives with regards to the So Ver Mine (Pty) Ltd entity and the remaining associated parts of the So Ver farm.

DMI Minerals South Africa (Pty) Limited – The Company owns a 70% majority interest in DMI Minerals South Africa (Pty) Ltd ("DMI Minerals"), with the remaining 30% interest held by the Company's well-established South African Black Economic Empowerment partner Nozala Investments (Pty) Ltd ("Nozala"). The subsidiary was formed to be used for the potential acquisition of projects with near-term production capabilities and suitable long-term production life, and the De Beer's Krone-Endora acquisition will represent the first acquisition for the entity. Using the DMI Minerals entity, the Company entered into a competitive, and confidential, request for proposals with various other bidders to acquire the Krone-Endora project from De Beers Consolidated Mines Limited. On May 26, 2008, the Company announced that DMI Minerals had received confirmation from De Beers Consolidated Mines Limited that its proposal to acquire the Krone-Endora alluvial deposit had been approved as the successful proposal, and then on December 22, 2008 the Company further announced that it had entered into a definitive sale of assets agreement. The Krone-Endora deposit consists of prospecting rights over the farms Krone 104 and Endora 66, both located adjacent to the De Beers Venetia Diamond Mine in the Limpopo Province of South Africa, which is widely known, based on De Beers' published production reports, to be South Africa's largest producer of diamonds. The acquisition was subject to the signing of the definitive acquisition documents executed between DMI Minerals and De Beers on December 22, 2008 along with a supplied deposit of 1,500,000 Rand (approximately CAD$205,000.00), the regulatory approval of the reviewable transaction by the TSX Venture Exchange for which all documents were submitted resulting in the conditional approval of the transaction pending the filing of an Independent National Instrument 43-101 compliant Technical Report and satisfaction of the remaining closing conditions which include; the signing of a sole, royalty-free license for the use of all geological information which as of this date has subsequently been completed; the signing of a rights of access agreement to the properties by the parties which as of this date is in it's final draft form; the preparation, submission, and acceptance of the renewals of the associated prospecting permits by De Beers, which as of this date has subsequently been completed; the submission of applications to secure ministerial consent in terms of section 11 of the Minerals and Petroleum Resource Development Act, No. 28 of 2002 for the transfer of the associated prospecting rights and environmental and rehabilitation liabilities from De Beers to DMI Minerals (pending); the conclusion of a due diligence effort by De Beers on DMI Minerals to ensure the direct and indirect shareholdings meet Black Economic Empowerment requirements as outline by the South African Department of Minerals and Energy (pending); the granting of a suitable water allocation and conveyance solution of that water allocation to the prospecting area on terms acceptable to both parties (pending); and a final payment of 12,500,000 Rand (approximately CAD$1,750,000). Upon completion of the acquisition and the transfer of prospecting rights, DMI Minerals expects it will commence with a continued drilling and evaluation programme in conjunction with trial mining / bulk sampling exercises based on the continuation of the previous work completed on the deposit by De Beers. These evaluations will be used by the Company to delineate the future work necessary to enable the Company to arrive at production decisions and goals. The acquisition represents the Company's first for its DMI Minerals subsidiary in conjunction with previously announced 100% women-owned BEE partner Nozala. The Company has been placing significant emphasis and focus on tasks associated with financing and closing the acquisition of the Krone-Endora alluvial deposit from DeBeers as the Company views this as the most significant business opportunity for the Company with near-term diamond production potential. Furthermore, through its relationship with Nozala, the Company believes additional new mining opportunities will be developed in the future. To this end, a business portfolio of base tailings reprocessing and new alluvial mining projects is being prepared with a view to creating additional value for shareholders.

DMI Diamonds South Africa (Pty) Limited – The Company's 100% owned South African Subsidiary, DMI Diamonds is used as the Company's main corporate entity for supporting its South African projects, operations, initial exploration efforts, and the initial evaluation of all future projects. This strategy was demonstrated in the previously announced agreement to potentially acquire an initial 24% interest in the privately held South African company Nerikets Properties (Pty) Ltd. ("Nerikets") with an exclusive option to acquire the remaining 76% interest in Nerikets, and has also been evident more recently in the ongoing operational support and funding and support of the pending Krone-Endora acquisition. On September 14, 2007 the Company entered into an agreement in principle to acquire an initial 24% interest in the privately held South African company Nerikets Properties (Pty) Ltd. ("Nerikets") through its 100% owned South African subsidiary DMI Diamonds South Africa (Pty) Ltd. Pursuant to the terms of the agreement, the Company had an exclusive option to acquire the remaining 76% interest in Nerikets. Nerikets holds the Prospecting Rights Permit for diamond exploration over a 3,606.44 hectare area known as Hardcastle located on the north bank of the Middle Orange River (the "Hardcastle Project"). On November 5, 2007 the Company announced that it had completed all remaining due diligence and received the required approvals allowing the Company to conclude the agreement as announced. The Company released further information on November 19, 2007 outlining its plans to proceed immediately with an extensive initial exploration program aimed at establishing a better understanding of the geological nature of the property, and identifying potential alluvial gravels located on the property. During the year, the Company completed all initial geological and geophysical work required for it to proceed with a planned 200 hole drilling programme. The Company deployed various members of both its Canadian and South African operational team along with independent consultants to complete approximately half of the 200 targets on the southern portions of the Hardcastle property. Initial efforts to continue drilling the northern most targets were not able to be completed with the traditional truck mounted drilling rigs used on the southern targets due to the presence of considerable near surface sand covering this area. It was determined that remaining targets would required a more specialized drilling rig with larger floating tires designed for use under these circumstances. Management was unable to secure a specialized drilling rig at a reasonable cost in the required time frame and thus elected to postpone drilling until suitable arrangements could be made. The Company may continue to evaluate the information gathered during the previous drilling program, but elected to suspend further exploration on the property and focus its efforts on the proposed De Beers Krone-Endora project for the immediate the future. In the interim, the Company is incurring minimal costs associated with Hardcastle and a majority of its near-term future efforts will be associated with the planned support of the Krone-Endora acquisition.

Jagersfontein Diamond Mining Company (Pty) Limited – The Company currently holds a 100% ownership position in the South African subsidiary Jagersfontein Diamond Mining Company (Pty) Ltd. JDMC was formed with the intention of securing additional diamond mining projects, which the Company continues to evaluate, that are aimed at further increasing shareholder value through the implementation of its stated focus and strategy. The Company expects that should it be successful in moving towards formal proposals for such projects it would do so in conjunction with its stated Black Economic Empowerment group Nozala as its partner.

Ongoza Mining & Exploartion (Pty) Limited - The Company held a 74% majority ownership of Ongoza Mining & Exploration (Pty) Ltd with the remaining 26% ownership residing with a previous Black Economic Empowerment partner, Pholo Mining & Exploration (Pty) Ltd. The Ongoza subsidiary was formed to secure permitting and perform initial bulk sampling work on two kimberlite blows on the So Ver property which had been previously identified in an independent report generated on So Ver. With the granting of the prospecting permit, a bulk exploration program was announced which began in January 2006 and was followed by the release of a management summary on its review of the relevant results of an independent technical exploration report compiled by MPH Consulting Ltd. The Company elected not to proceed with any further kimberlite exploration work on these targets and thus Ongoza had remained largely inactive since that time. Given the Company's focus on near-term production projects it applied for, and was granted, final closure certificates for the exploration work after which it elected to wind-up the subsidiary. No further efforts will be undertaken through this subsidiary.

Other Efforts – The Company previously reported on May 31, 2007 that it had signed a memorandum of understanding for a joint venture agreement with Trans Hex Group Ltd. and its joint venture partners (collectively "Trans Hex") to perform exploration on various new and yet unexplored portions of the Company's So Ver land holdings in South Africa. Trans Hex had been evaluating geophysical anomalies outside the So Ver mining area and was is in possession of exploration information that suggested there may be a potential to discover additional kimberlitic bodies on yet unexplored parts of the property. Under the terms of the joint venture understanding the Company agreed to allow Trans Hex access to sample various geophysical targets identified in specific areas of its So Ver landholdings, and in exchange, retain a 7.5% interest in any project that may follow from the exploration targets identified. Trans Hex agreed to fund these projects through feasibility after which all post-feasibility funding would be in proportion to each party's interest in any subsequent project that may result. The Trans Hex efforts continued throughout fiscal 2008 and were largely concluded in fiscal 2009. The Company is awaiting final information from Trans Hex with regard to any future efforts on any other targets identified which may be of interest and explored under this joint venture arrangement. No significant effort or expenditures were thus allocated to these efforts during the year by the Company, and it is assumed the efforts completed will conclude this initial exploration work.

MANAGEMENT AND CAPABILITIES

There were no significant changes to the Company's management and Board of Directors during the year ended March 31, 2009. Mr. Dean H. Taylor remains a Director and the Company's President and Chief Executive Officer. Mr. Dean Del Frari remains the Company's Director of Operations in South Africa where he continues to build on his leadership role in assisting with the development of the operations team and acquisition efforts necessary to fulfill the Company's future objectives. The Company's Board of Directors currently consist of Mr. Dean Taylor (Chairman), Mr. Darren Vucurevich, CMA and owner of a private accounting firm, world renowned diamond expert and professor Dr. Stephen E. Haggerty, and New York based executive Mr. Sheldon Nelson.

The Company has developed extensive relationships and employs the services of many of the same professional consulting firms which support the ongoing projects of many of the larger South African mining companies. These relationships assist the Company in its ability to successfully and cost effectively evaluate, plan, and execute potential projects in a timely and professional manner. The Company has ongoing access to its established operational team of well trained employees in South Africa, and the ability to deploy them to operate any projects the Company is able to secure. In addition to this, the Company will continue to enhance its operational management team within South Africa by drawing on the abundance of skilled and experienced diamond industry professionals available within the region as opportunities materialize.

SOUTH AFRICAN MINING CHARTER – BLACK ECONOMIC EMPOWERMENT (BEE)

In October 2002, with the support of all mining houses and labor unions concerned, the Broad-Based Socio-Economic Empowerment ("BEE") Charter was introduced by South African Cabinet. This Charter called for certain ownership and management goals in the mining industry by historically disadvantaged South Africans within five years. These objectives have been set with the goal of providing equitable access to the nation's vast mineral resources for all South Africans. Many of these historically disadvantaged people are well qualified, skilled workers already in the field and provide a wealth of opportunity for junior companies such as Diamcor. The advent of a new democratic constitution in South Africa has resulted in significant changes and restructuring of what was once referred to as the "big six" mining houses which traditionally controlled mining production and mineral rights within the region. New legislation has seen the phasing out of this past oligarchy and a shift of focus towards the government accommodating small mining companies and creating various opportunities for junior operations to prosper and grow when affiliated with successful Black Empowerment Partners.

On March 5, 2008, the Company announced a formal joint venture partnership with well-established South African BEE group Nozala Investments (Pty) Ltd. This partnership is anticipated to be initially reflected in two Diamcor South African subsidiaries, DMI Minerals South Africa (Pty) Ltd and Jagersfontein Diamond Mining Company (Pty) Ltd., both of which were initially formed to secure diamond mining projects in South Africa. Under the terms of the joint venture, Diamcor retain a 70% direct ownership in the DMI Minerals subsidiary, with Nozala acquiring a 30% direct shareholder ownership interest. Operationally, expenses charged to the development of projects held by the entity, and the revenues generated, will be similarly proportional. A similar arrangement is also expected to be implemented in the Company's Jagersfontein Diamond Mining Company (Pty) Ltd. subsidiary in the future as suitable projects materialize. The Company considers these joint ventures a significant achievement because not only is Nozala a respected and established BEE group representing the interests of some estimated 500,000 rural women shareholders, but it is also a well-connected corporate entity in the South African business community, both of which will greatly enhance the Company's ability to achieve its stated growth objectives of securing long term, high profile projects within South Africa.

The Company has gained considerable insight into the workings of the new BEE Charter through its previous operational history, as well as government expectations and requirements associated with it. The Company believes proper BEE groups provide real value to the Company through their investment, professional affiliations, corporate knowledge, the management of BEE objectives and the assurance that a meaningful broad based benefit is achieved by their involvement rather than the self-enrichment of a few. The Company plans to align itself only with groups which demonstrate a proven track record and ability to achieve these Government driven objectives, which in turn will enhance the Company's ability to achieve its growth objectives by participating in the higher profile acquisitions which will demand obvious levels of professional BEE involvement.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial results for the year ended March 31, 2009 include the results of mining and exploration operations in South Africa. As of March 31, 2009, the Company held assets of $467,044 including cash of $60,030, $204,910 held as a deposit associated with the pending De Beers Krone-Endora acquisiton, and property, plant and equipment assets of $155,679. Liabilities totaled $600,961 which included $265,139 in accounts payable and taxes payable of $18,889. The Company has long term debt of $6,754, and no amounts were due to related parties. The Company's asset retirement obligation associated with reclaimation and abandonment of mines and facilities is recorded at $307,429. The Company operates in one market segment for the mining, production and sale of rough diamonds.

The following table provides a brief summary of the Company's financial operations:

	Years ended March 31,					
		2009		**2008**		**2007**
Total Revenue	$	Nil	$	Nil	$	750,401
Net Income (Loss)	$	(1,068,685)	$	(1,265,052)	$	(967,587)
Basic And Diluted Loss Per Common Share	$	(0.11)	$	(0.16)	$	(0.28)
Total Assets	$	467,044	$	435,254	$	645,062
Total Long Term Liabilities	$	6,754	$	9,505	$	Nil
Cash Dividend	$	Nil	$	Nil	$	Nil

RESULTS OF OPERATIONS FOR YEAR ENDED MARCH 31, 2009

The Company's financial instruments consist of cash and cash equivalents, receivables and accounts payables and accrued liabilities. Unless otherwise noted, management is of the opinion that the Company is not exposed to any significant interest, currency or credit risks arising from these instruments. The Company's financial statements are consolidated and shown in Canadian dollars as required and conversions from foreign exchange are noted. A majority of the Company's operational facilities are located in South Africa and the Company follows standard South African policy with regard to both the investment and removal of funds with respect to investment it makes into projects and operations within South Africa.

The Company had a net loss of $(1,068,685) for the year ending March 31, 2009 as compared to net loss of $(1,265,052) for the year ending March 31, 2008. During the year ending March 31, 2009 the Company generated no gross income from the sale of diamonds, which was also the case during the year ending March 31, 2008. In both fiscal 2009 and Fiscal 2008 the Company had no diamond producing assets as compared to previous fiscal years when the Company was producing diamonds from its tailings operation at So Ver. Despite the lack of production of diamonds in fiscal 2009 cost of sales of $66,389 were incurred which resulted in the Company realizing a gross loss of $(66,389) for the year ending March 31, 2009.

Revenue

The Company had no revenues for the year ending March 31, 2009, and also no revenues for the year ended March 31, 2008. This is due to the closing of the So Ver Tailings Re-Treatment Facility on November 8, 2006. The Company anticipates that upon successful satisfaction of the remaining conditions and closing for the acquisition of the Krone-Endora project, it expects the project will generate revenue in fiscal 2010.

Cost of Sales

The Company continued its efforts to conserve capital and wind down its So Ver operations during the year and thus cost of sales decreased to $66,389 for the year ending March 31, 2009 from $137,307 for the year ending March 31, 2008. The direct costs which remained were associated with the discontinuation of the Company’s So Ver mine in South Africa and other costs associated with project due diligence and acquisition investigations.

Expenses

Total expenses decreased slightly to $1,178,727 for the year ended March 31, 2009, as compared to $1,196,452 during the year ending March 31, 2008. Of the total expense variations for these two periods, consulting fees are noted to have decreased from $133,992 at March 31, 2008 to $68,276 at March 31, 2009 due to the reduction in exploration efforts, while professional fees increased from $144,354 at March 31, 2008 to $170,159 at March 31, as did management fees with an increase from $52,272 at March 31, 2008 to $114,685 at March 31, 2009, both due to the ongoing increased acquisition costs associated with the De Beers Krone-Endora acquisition. Salaries increased from $176,869 at March 31, 2008 to $332,835 at March 31, 2009, and non-cash stock based compensation for the year ended March 31, 2009 decreased to $227,576 as compared to $325,050 for the same period ended March 31, 2008. In addition, office expenses decreased from $123,661 at March 31, 2008 to $95,214 at March 31, 2009 primarily due to a reduced requirement for operational offices in South Africa. The Company remains committed to managing its resources carefully and conserving cash where available, however, it anticipates total expenses will remain at current levels while it continues with its efforts to successfully conclude the pending De Beers Krone-Endora Acquisition, and then increase moving forward should it implement expected recommendations with regards to post-acquisition work programmes associated with the project. The Company does however anticipate such increased expenses would potentially be offset by additional revenues from diamond sales as a result of such recommended programmes. In addition to the ongoing management of costs associated with the pending Krone-Endora acquisition, the Company also plans to continue to carefully manage and minimize all expenses associated with the review of other potential new projects.

In May of 2008, the Company authorized the granting of an aggregate of 568,940 compensation shares (“Compensation Shares”) of common stock to certain Company officers, directors and employees. The Compensation Shares were recommended by the Company’s Compensation Committee in March 2008 and were ratified by the Board of Directors in March 2008. The purpose of the Compensation Shares is to recognize the outstanding performance of these officers, directors and employees during the preceding fiscal year in a manner that preserves the working capital of the Company, with a secondary goal of incentivizing these individuals with equity interests more in line with industry standards. The Compensation Committee believes that the increased equity for these individuals will advance the Company’s management retention and business plan objectives. The issuance of the Compensation Shares was subject to disinterested shareholder and TSX Venture Exchange approvals which were confirmed in a news release dated September 25, 2008. The associated expense recorded for the compensation shares for accounting purposes in the March 31, 2009 year-end filings was based on a deemed price of $0.40 per share.

Net Earnings

As a result of the conclusion and discontinuation of the tailings re-treatment at So Ver and the ongoing efforts associated with the De Beers Krone-Endora acquisition, the Company realized a net loss of

$(1,068,685) during the year ended March 31, 2009, as compared to a net loss of $(1,265,083) for the year ending March 31, 2008.

Summary of Quarterly Results

Period Ending	Gross Revenues	Gross Profit	Income (Loss) Per Share	Income (Loss) Per Diluted Share	Net Income (Loss)	Net Income (Loss) Per Share	Net Income (Loss) Per Diluted Share
	$000's	$000's	$	$	$000's	$	$
30-Jun-06	409.3	7.7	0.00	0.00	(180.1)	(0.01)	(0.01)
30-Sep-06	164.2	(58.9)	0.00	0.00	(255.8)	(0.01)	(0.01)
31-Dec-06	176.8	30.5	(0.01)	(0.01)	(149.3)	(0.05)	(0.05)
31-Mar-07	0.0	9.3	0.00	0.00	(377.5)	(0.11)	(0.11)
30-Jun-07	0.0	(20.7)	(0.00)	(0.00)	(157.5)	(0.02)	(0.01)
30-Sep-07	0.0	(24.9)	(0.00)	(0.00)	(495.5)	(0.06)	(0.04)
31-Dec-07	0.0	(74.9)	(0.01)	(0.00)	(300.7)	(0.04)	(0.02)
31-Mar-08	0.0	(16.8)	(0.00)	(0.00)	(311.3)	(0.04)	(0.02)
30-Jun-08	0.0	(6.1)	(0.00)	(0.00)	(113.9)	(0.01)	(0.01)
30-Sept-08	0.0	(20.3)	(0.00)	(0.00)	(203.5)	(0.02)	(0.01)
31-Dec-08	0.0	(33.8)	(0.00)	(0.00)	(271.5)	(0.03)	(0.01)
31-Mar-09	0.0	(6.2)	(0.00)	(0.0)	(480.0)	(0.05)	(0.02)

FOURTH FISCAL QUARTER 2009 RESULTS

In the fourth fiscal quarter the Company generated no revenue and incurred $6,143 in direct costs and $473,555 in expenses, resulting in a net loss of $ (479,698) during the quarter. Professional fees increased in the fourth quarter as a result of the Company's project development and acquisition activities.

LIQUIDITY AND CAPITAL RESOURCES

During the year ending March 31, 2009 and 2008, the Company recorded a net loss of $(1,068,685) and net loss of $(1,265,047), respectively. The Company had negative cash flows from operating activities of $(607,775) and $(860,777) during the year ending March 31, 2009 and 2008, respectively. At March 31, 2008, the Company had an accumulated deficit of $(10,195,171).

Cash Position. At March 31, 2009, the Company had cash and cash equivalents of $60,030 compared to $188,218 at March 31, 2008. Subsequent to the fiscal year ending March 31, 2009 the Company did conclude its sale of certain assets associated with its So Ver property for the sum of 2 000 000.00 Rand (Approximately CAD$300,400.00) as described above, and thus believes it has adequate cash for operating purposes through the end of the second fiscal quarter 2009. However, unless the Company can derive revenue from the sale of its remaining assets located at So Ver or from its other current projects, it will have to (i) investigate and close an additional private placement or other debt facility, and, or (ii) rely on current warrant holders to exercise outstanding warrants that will be expiring, and, or (iii) scale back plans and operations. The Company is in a capital-intensive business and no assurances can be made that it will be able to generate revenues timely or raise additional funds on favorable terms or at all.

A portion of the cash on hand and available for use by the Company at March 31, 2009 was held in its foreign bank accounts in South Africa and is being used for ongoing operations at its remaining So Ver facilities and to support its ongoing acquisition efforts. Historically, operational results at the So Ver facility had provided for a surplus to be accumulated above what was required for the ongoing operational expenses at the facility; however those operations have now been discontinued as noted. The Company follows certain procedures to aid in the recovery and re-investment of funds from its projects.

Financing Activities. Recent historical financings closed by the Company include a non-brokered private placement financing of $500,000 resulting in the issuance of a 1,000,000 units at a price of $0.50 per unit, on August 30, 2007. This provided the Company with adequate funds to cover operating costs and partially fund the ongoing exploration and acquisition work which has continued through the period ending March 31, 2009. Each unit issued consisted of one common share and one common share purchase warrant. Each warrant entitled the holder thereof to acquire one additional common share at an exercise price of $0.75 for a period of two years following the closing date. At that same time, shares-for-debt agreements were secured with creditors to settle a total of $226,499 in outstanding liabilities. Agreements with directors in 2008 were secured to settle a total of $40,810 in outstanding liabilities through the issuance of 68,017 shares at a price approximately equal to the market price at the time of settlement. Both share for debt settlements were aimed at adding additional solidity to the balance sheet. Various parties exercised a cumulative total of 458,334 warrants at a price of $0.27, and 125,000 options at $0.36 were exercised by outside investors, 65,000 options at $0.50 were exercised by directors, and 140,000 options at $0.36 were exercised by employees. To further conserve cash, the Company authorized the issuance of 568,940 in compensation shares to employees, managers, executives and directors in May 2008, which was subsequently approved by disinterested shareholders and the TSX Venture Exchange on September 25, 2008. The shares were granted on October 23, 2008 and an expense recorded for the amount of $113,788 was recorded. The Company also closed a non-brokered private placement financing of $636,375.00 resulting in the issuance of a 2,121,050 units at a price of $0.30 per unit, on January 7, 2009. This provided the Company with adequate funds to cover operating costs and partially fund the continued acquisition work associated with Krone-Endora through the period ending March 31, 2009. Each unit issued consisted of one common share and one common share purchase warrant. Each warrant entitled the holder thereof to acquire one additional common share at an exercise price of $0.50 for a period of two years following the closing date.

As of July 29, 2009, the Company has 11,838,107 common shares outstanding and has authorized capital of an unlimited number of shares.

Working Capital. As of March 31, 2009 the Company had working capital of ($523,306), as compared to a working capital of $110,094 at March 31, 2008. The working capital deficiency is primarily due to the Assts Retirement Obligation of So Ver being reclassified to current liability and deposits held being reclassified as a long term asset.

Future Capital Requirements. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. The Company is actively targeting sources of additional revenues and financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations, acquisitions, and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

Management continues to assess its financing requirements as necessary and is currently concentrating financing efforts on proposals to fund the remaining acquisition price of the Krone-Endora deposit from De Beers, and the funds needed to commence mining operations. Additional financing requirements remain in large part to be determined by its success in finding, developing, and acquiring new alluvial and tailings re-treatment projects. The Company is currently in discussions with several sources regarding its financing requirements.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

CONTRACTUAL OBLIGATIONS

The Company has a commitment to lease office space at a rate of $2,827 per month. The lease expires in May, 2012. The minimum lease payments under this lease are $33,930 per year.

PROPOSED TRANSACTIONS

On May 26, 2008, the Company, through its South African subsidiary, DMI Minerals South Africa (Proprietary) Limited, received confirmation from De Beers Consolidated Mines Limited that its proposal to acquire the Krone-Endora alluvial deposit had been approved as the successful proposal. The Krone-Endora deposit consists of prospecting rights over the farms Krone 104 and Endora 66, both located adjacent to the De Beers Venetia Diamond Mine in the Limpopo Province of South Africa, which is widely known, based on De Beers' published production reports, to be South Africa's largest producer of diamonds. The acquisition was subject to the completion of definitive acquisition documents which were signed between DMI Minerals and De Beers as announced on December 22, 2008 at which time a deposit of 1,500,000 Rand (approximately CAD$205,000.00) was paid by the Company, and the regulatory approval of the reviewable transaction by the TSX Venture Exchange for which all documents were submitted resulting in the conditional approval of the transaction pending the filing of an Independent National Instrument 43-101 compliant Technical Report and satisfaction of the remaining closing conditions which include; the signing of a sole, royalty-free license for the use of all geological information which as of this date has subsequently been completed; the signing of a rights of access agreement to the properties by the parties which as of this date is in it's final draft form; the preparation, submission, and acceptance of the renewals of the associated prospecting permits by De Beers, which as of this date has subsequently been completed; the submission of applications to secure ministerial consent in terms of Section 11 of the Minerals and Petroleum Resource Development Act, No. 28 of 2002 for the transfer of the associated prospecting rights and environmental and rehabilitation liabilities from De Beers to DMI Minerals (pending); the conclusion of a due diligence effort by De Beers on DMI Minerals to ensure the direct and indirect shareholdings meet Black Economic Empowerment requirements as outline by the South African Department of Minerals and Energy (pending); the granting of a suitable water allocation and conveyance solution of that water allocation to the prospecting area on terms acceptable to both parties (pending); and a final payment of 12,500,000 Rand (approximately CAD$1,750,000). Upon completion of the acquisition and the transfer of prospecting rights, DMI Minerals expects it will commence with a continued drilling and evaluation programme in conjunction with trial mining / bulk sampling exercises based on the continuation of the previous work completed on the deposit by De Beers. These evaluations will be used by the Company to delineate the future work necessary to enable the Company to arrive at production decisions and goals. The acquisition represents the Company's first for its DMI Minerals subsidiary in conjunction with its Black Economic Empowerment partner Nozala Investments (Pty) Ltd.

CHANGES IN ACCOUNTING POLICIES

Management is often required to make judgments, assumptions and estimates in the application of Canadian GAAP that have a significant impact on the financial results of the Company. Certain policies are more significant than others and are, therefore, considered critical accounting policies. Accounting policies are considered critical if they rely on a substantial amount of judgment (use of estimates) in their application or if they result from a choice between accounting alternatives and that choice has a material impact on the Company's reported results or financial position. There have been no changes to the Company's critical accounting policies or estimates from those disclosed in the Company's MD&A for the period ending March 31, 2009.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

The Company faces a number of risks and uncertainties that could cause actual results or events to differ materially from those contained in any forward-looking statement. Additional risks and uncertainties not presently known to the Company or that are currently deemed to be immaterial may also impair the Company's business operations. Factors that could cause or contribute to such differences include, but are not limited to, the following:

Capital Requirements

There is no assurance that the Company will continue to be able to access the capital markets for the required funding necessary to maintain exploration properties, nor to complete its proposed acquisitions, and any future exploration programs. The Company will require additional capital to finance expansion or growth at levels greater than its current business plan. Insufficient capital may require the Company to delay or scale back its proposed acquisitions and, or development activities.

Revenues and Growth

There are no assurances that suitable additional projects will be secured or that diamonds be recovered at the levels previously experienced. Should the Company ultimately discover diamond deposits through its exploration efforts or acquisitions; the economics and feasibility of any potential project can be affected by many factors which may be beyond the capacity of the Company to anticipate or control. Tailings processing revenues and production in general are reliant on both the quality and amount of tailings both available and being processed and the Company cannot predict with any certainty the recovery levels from a given area being worked, thus affecting revenues. This is also true of any prospective project the Company may acquire related to various other methods of diamond production.

Nature of Mining

The operation of any diamond mining project is subject to risks inherent in the mining industry, including variations in grade and other geological differences, unexpected problems associated with weather and required water, power, surface conditions, processing problems, mechanical equipment performance, accidents, labor disputes, risks relating to the physical security of the diamonds, force majeure risks and natural disasters. Such risks could result in personal injury or fatality; damage to or destruction of mining properties, processing facilities or equipment; environmental damage; delays or reductions in mining production; monetary losses; and possible legal liability.

Nature of Joint Arrangement (Ongoza)

Diamcor owns an undivided 74% interest in the assets and liabilities of the Ongoza Mining & Exploration (Pty) Ltd. ("Ongoza"), a South African subsidiary which Diamcor formed to take advantage of certain exploration opportunities on So Ver in 2002. The remaining 26% ownership is held by Pholo Mining (Pty) Ltd., which is a registered BEE group. This joint arrangement is subject to the risks normally associated with the conduct of joint ventures and similar joint arrangements. These risks include the inability to exert influence over strategic decisions, the development and operation of exploration project, and mineral claims.

Nature of Joint Arrangement (Hardcastle)

On September 14, 2007 the Company announced that it had entered into an agreement in principle to acquire an initial 24% interest in the privately held South African company Nerikets Properties (Pty) Ltd through it's 100% owned South African subsidiary DMI Diamonds South Africa (Pty) Ltd. Pursuant to the terms of the Agreement, the Company also announced it had secured an exclusive option to acquire the remaining 76% interest in Nerikets. Nerikets is a BEE registered and compliant South African company which holds the Prospecting Rights Permit for diamond exploration over a 3,606.44 hectare area known as

Hardcastle located on the north bank of the Middle Orange River. This joint arrangement is subject to the risks normally associated with the conduct of joint ventures and similar joint arrangements. These risks include the inability to exert influence over strategic decisions, the development and operation of the Hardcastle alluvial project, and mineral claims.

Nature of Joint Arrangement (Nozala)

On March 5, 2008, the Company announced a formal joint venture partnership with well-established South African BEE group Nozala Investments (Pty) Ltd. This partnership is expected to be reflected in two Diamcor wholly-owned South African subsidiaries, DMI Minerals South Africa (Pty) Ltd. and Jagersfontein Diamond Mining Company (Pty) Ltd., both of which were initially formed to secure diamond mining projects in South Africa. Under the terms of the first joint venture with regards to DMI Minerals, Diamcor retains a 70% direct ownership in the subsidiary with Nozala holding a 30% direct shareholder ownership interest. This arrangement is also expected to be similar in nature for the Jagersfontein Diamond Mining Company subsidiary in the future. Operationally, expenses charged to the development of projects held by the entities, and the revenues generated, will be similarly proportional. These joint arrangements are subject to the risks normally associated with the conduct of joint ventures and similar joint arrangements. These risks include the inability to exert influence over strategic decisions, the development and operation of the projects, and mineral claims.

Diamond Prices and Demand for Diamonds

The profitability of Diamcor is dependent upon production, which is dependent in significant part upon the worldwide demand for and price of diamonds. Diamond prices fluctuate and are affected by numerous factors beyond the control of the Company, including worldwide economic trends, particularly in the US, Japan, China and India, worldwide levels of diamond discovery and production and the level of demand for, and discretionary spending on, luxury goods such as diamonds and jewelry. Low or negative growth in the worldwide economy or the occurrence of terrorist activities creating disruptions in economic growth could result in decreased demand for luxury goods such as diamonds, thereby negatively affecting the price of diamonds. Similarly, a substantial increase in the worldwide level of diamond production could also negatively affect the price of diamonds. In each case, such developments could materially adversely affect the company’s results of operations.

Currency Risk

Currency fluctuations may affect the Company’s financial performance. Diamonds are sold throughout the world based principally on the US dollar price. The Company reports its financial results in Canadian dollars and a majority of its costs and expenses are incurred in either Canadian dollars or the South African Rand. The Company’s South African subsidiaries operate using principally the US dollar and the South African Rand and as such may be negatively affected by fluctuations in foreign exchange rates when translating from the currency of measurement of the Company’s subsidiary to the Company’s reporting currency. The appreciation of the Canadian dollar against the US dollar, and the depreciation of such other currencies against the US or Canadian dollar, therefore, may increase expenses and the amount of the Company’s liabilities relative to revenue.

Licenses and Permits

There are inherent risks involved in operating in foreign countries, including stringent environmental and permitting issues. The operation of the So Ver Mine, pending acquisitions, and future exploration on certain properties requires licenses and permits from the South African government. There can be no guarantee that the Company will be able to renew these licenses or obtain or maintain all other necessary licenses and permits that may be required to maintain the operations or to further explore and develop certain properties. Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mining properties.

Regulatory and Environmental Risks

The operation of the mines and exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labor standards, occupational health, waste disposal, mine safety, manufacturing safety, power and water, and other matters. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation or changes in enforcement policies under existing laws and regulations could have a material adverse impact on the Company by increasing costs and/or causing a reduction in levels of production from the mine. Mining and manufacturing are subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mining and manufacturing operations. To the extent that the Company is subject to uninsured environmental liabilities, the payment of such liabilities could have a material adverse effect on the Company.

Reliance on Skilled Employees

Production and exploration for any Company projects is dependent upon the efforts of certain key and skilled employees. The loss of these employees or the inability of the company to attract and retain additional skilled employees may adversely affect the level of diamond production and the company's ability to operate efficiently. Currently, there is significant competition for skilled workers in these operations. The loss of the services of any of the Company's key executive officers or key employees could harm its business. None of the Company's key executive officers or key employees currently has a contract that guarantees their continued employment with the Company. There can be no assurance that any of these persons will remain employed by the Company or that these persons will not participate in businesses that compete with it in the future.

Regional Power Supply

Potential power supply issues in South Africa have been highlighted by the media with regards to the inability of state owned power supplier *Eskom* to deliver consistent electricity requirements to many of the larger mines in South Africa. While these issues are not presently expected affect any of the current operational requirements of the Company, there can be no assurances that any new projects that the Company may acquire or operate will be able to secure the required electrical capacities needed to sustain uninterrupted supply and production.

Competition

Within the minerals industry sector, and both the diamond tailings re-treatment sector, diamond exploration sector, and various other related methods of diamond mining and production, Diamcor competes with other companies possessing greater financial and technical resources than it may have access to. Even with its current facility, and the promise of any other exploration or diamond producing project, or property, there can be no assurances that the Company will continue to be able to complete or execute its desired programs on its proposed schedules, nor within the cost estimates assumed. If the Company is unable to successfully compete in the diamond market, then its results of operations will be adversely affected.

Securities May Be Volatile and Subject to Wide Fluctuations

The market price of the Company's securities may be volatile and subject to wide fluctuations. If the Company's revenues do not grow or grow more slowly than it requires, or, if operating or capital expenditures exceed its expectations and cannot be adjusted accordingly, or if some other event adversely affects the Company, the market price of the Company's securities could decline. If securities analysts alter their financial estimates of the Company's financial condition it could affect the price of the Company's securities. Some other factors that could affect the market price of the Company's securities include announcements of new explorations, technological innovations and competitive developments. In addition, if the market for stocks in the Company's industry or the stock market in general experiences a loss in investor confidence or otherwise fails, the market price of the Company's securities could fall for reasons unrelated to its business, results of operations and financial condition. The market price of the Company's stock also might decline in reaction to conditions, trends or events that affect other companies in the market even if these conditions, trends or events do not directly affect the Company. In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If the Company were to become the subject of securities class action litigation, it could result in substantial costs and a diversion of management's attention and resources.

OUTSTANDING SHARE INFORMATION

As at July, 29, 2009:

Authorized	
Issued and outstanding shares	11,838,107
Fully diluted (6,065,836 warrants and 767,500 options)	18,671,443
Weighted average outstanding shares	**11,838,107**

NATIONAL INSTRUMENT 52-109 ON CERTIFICATION OF ANNUAL AND INTERIM FILINGS

The Company files a 52-109F2 certification of interim filings duly executed by the Company's current CEO and acting CFO as required by securities laws.

DISCLOSURE CONTROLS AND PROCEDURES

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information. The Company's Chief Executive Officer and acting Chief Operating Officer evaluated the Company's disclosure controls and procedures for the period ended March 31, 2009 and have found those disclosure controls and procedures to be adequate for the above purposes.

There have been no significant changes in the Company's disclosure controls or in other factors that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.

OTHER

The Company operates offices in both Canada and South Africa and is listed on the Canadian TSX Venture Exchange under the symbol DMI. Public company information is available on SEDAR at www.sedar.com or at the Company's website www.diamcormining.com.