

News Release

DIAMCOR MINING INC. TSX.V Symbol (DMR)

September 20, 2004

DIAMCOR WINS KEY COURT JUDGMENTS CONCERNING SO VER DIAMOND MINE

Kelowna, B.C.: Mr. Wayne Wolf, President of Diamcor Mining Inc. (“Diamcor”) is pleased to announce that the High Court of South Africa has awarded Diamcor Mining Inc. sole control over operations of the So Ver Mine located near Kimberley, South Africa.

The dispute between Diamcor and Mr. Nicolaas Van der Merwe, the holder of a minority interest in the private company that owns the So Ver tailings reprocessing operations, centred on a clause in their agreement concerning control of the Board of Directors.

The agreement provided that Mr. Van der Merwe would be entitled to appoint a minimum of 50% of the directors of So Ver Mine (Pty) Limited and act as Chairman of the Board until Diamcor exercised its option to purchase an additional 46.67% interest in the company. Diamcor elected not to exercise this option, but retained its 53.33% interest in the project.

At trial, Diamcor’s legal counsel argued that it would be unfairly prejudicial to its majority interest in the mine to allow the minority shareholder, Mr. Van der Merwe, to control operations. The Court accepted this reasoning and held that Mr. Van der Merwe’s right to control So Ver’s Board of Directors has lapsed. Diamcor was also awarded costs. As a result of the decision, effective control of the mine operations now lies with Diamcor.

Diamcor’s legal claims relating to Mr. Van der Merwe’s alleged misappropriation of approximately \$1.5 million in diamonds from the So Ver mine is scheduled for trial in August 2005.

Liquidation of So Ver’s Assets

Diamcor has also successfully defended an application that Mr. Van der Merwe brought in the High Court of South Africa for liquidation of the So Ver mine’s assets. Mr. Van der Merwe claimed that So Ver owed him \$250,000 relating to a development loan he advanced to the company. Diamcor noted that its agreement with Mr. Van der Merwe provided that the development loan would only be payable upon the Company’s exercise of the option to acquire an additional 46.67% of So Ver. This option was never exercised.

The Court dismissed Mr. Van der Merwe's application, holding that the development loan is not due and payable. The judge also awarded costs to Diamcor, including punitive costs against Mr. Van der Merwe, for bringing the application without justification. Mr. Van der Merwe has appealed the decision.

Statements about the Company's future expectations and all other statements in this press release other than historical facts are "forward looking statements". The Company intends that such forward-looking statements be subject to the safe harbours created thereby. Since these statements involve risks and uncertainties and are subject to change at any time, the Company's actual results may differ materially from the expected results.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.