



**Corporate Presentation**

**PDAC Conference - 2019**

**TSX.V:DMI**

**OTCQB:DMIFF**

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- Acquired from De Beers, permitted, cash flowing
- Project co-located with De Beers Flagship Venetia mine (Est. +/- US\$ 4.0B)
- Deposits are the result of the direct shift & erosion from the Venetia kimberlites, same diamonds.
- Significant development now complete, targeting our initial production decision in 2019.
- Average US\$/Ct to date on 125,000+ carats ~US \$175, high % of gem quality, recent \$/ct increasing
- Significant growth & expansion underway (5,833 ha)



# Venetia Mine Overview

The Identified Source of Krone-Endora Deposits

**De Beers' Flagship Asset**

**Currently undergoing (USD)  
\$2.1B underground  
expansion**

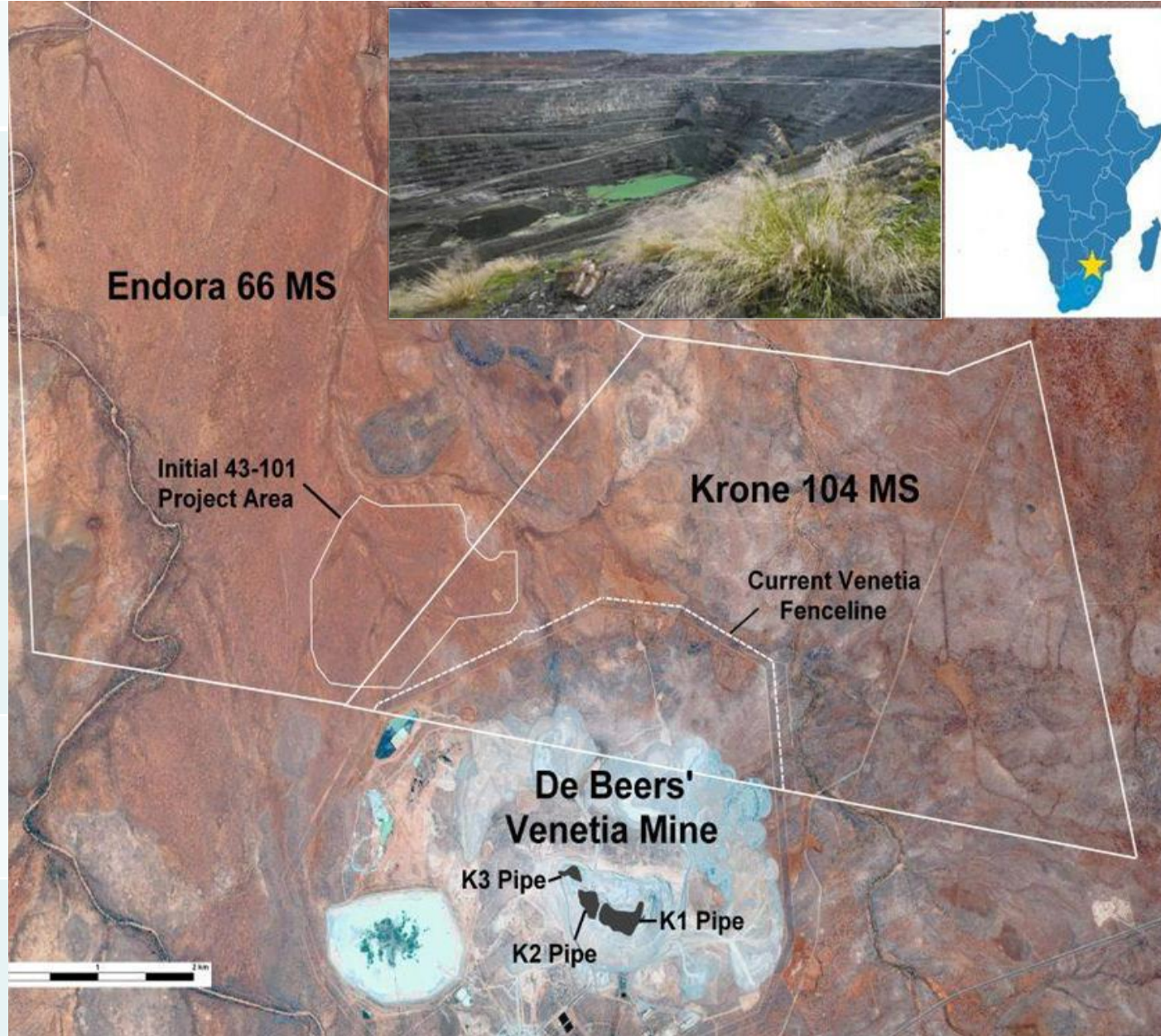
**At it's peak:**

- 750,000 carats / month
- 9.0 M carats / year

**Largest diamond to date:  
315+ carats**

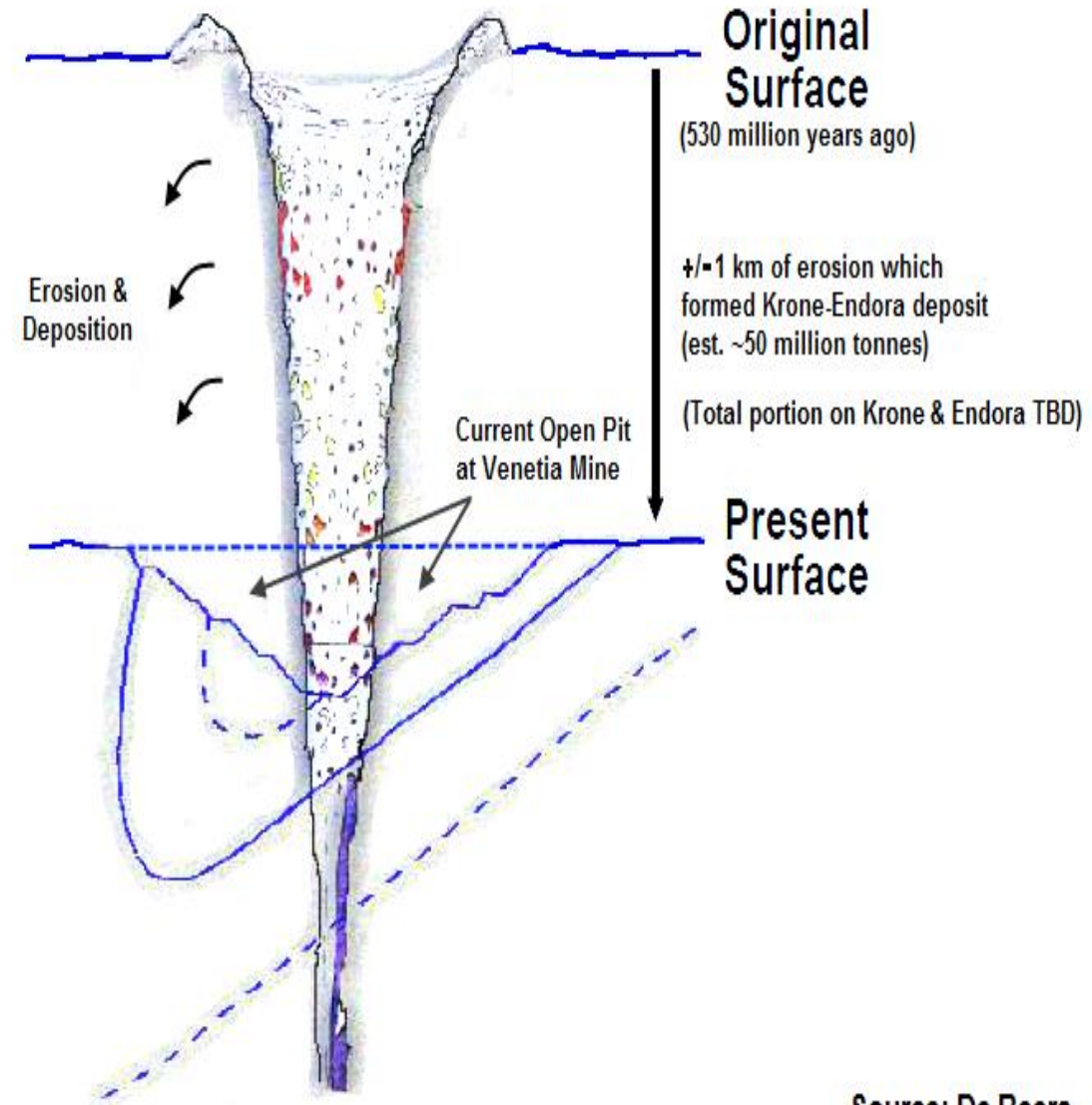
**One of the most prolific  
diamond mines in the world**

**Significant operational  
benefits**



# Krone-Endora Created by the Direct Shift & Erosion from Venetia

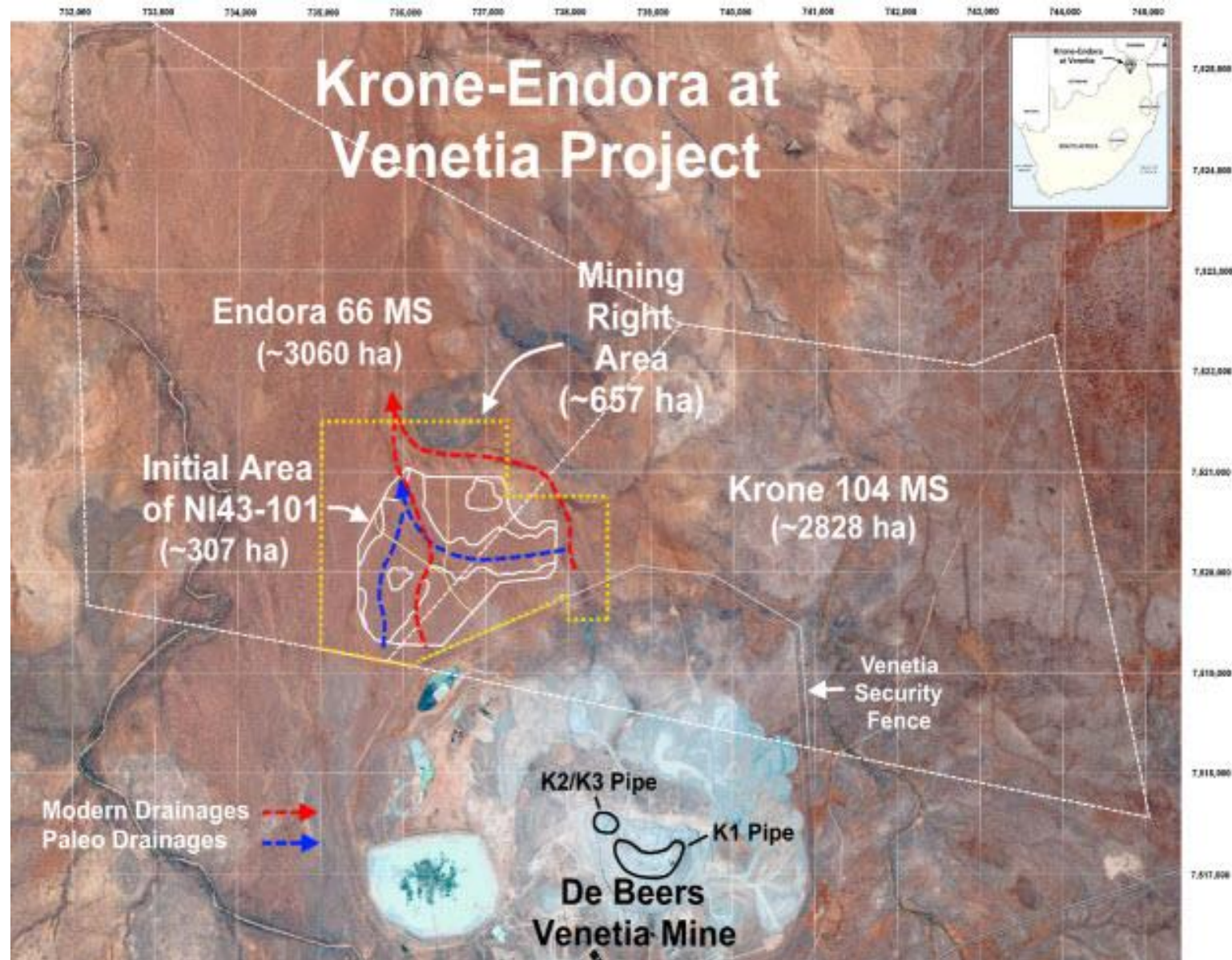
- De Beers estimate - ~1,000 vertical meters were shifted and eroded from Venetia kimberlites  
(~50M tonnes = Potential ~50M carat displacement)
- NOT an Alluvial deposit, but a rare Eluvial/Alluvial deposit formed by the shift / erosion from Venetia
- Significant growth potential with land position consisting of 5,833 ha directly adjacent to Venetia in direction of displacement.



Source: De Beers

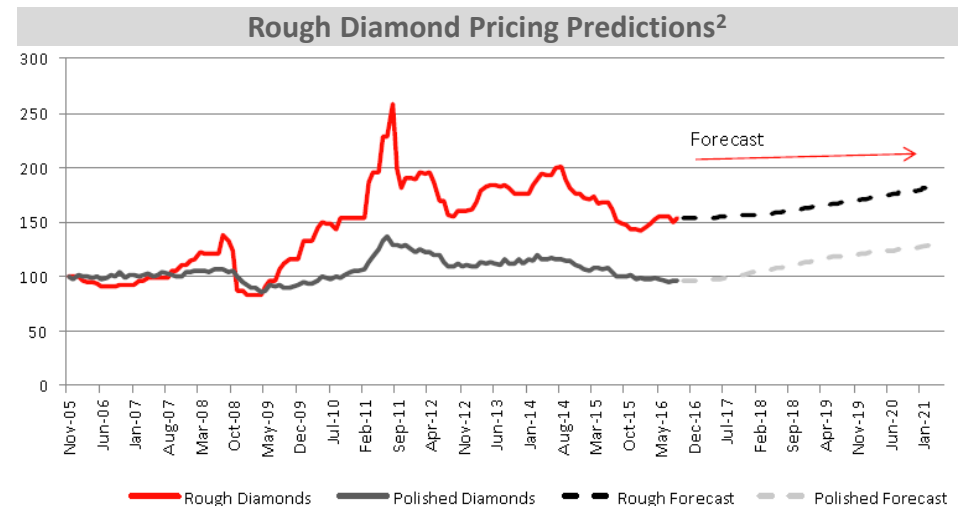
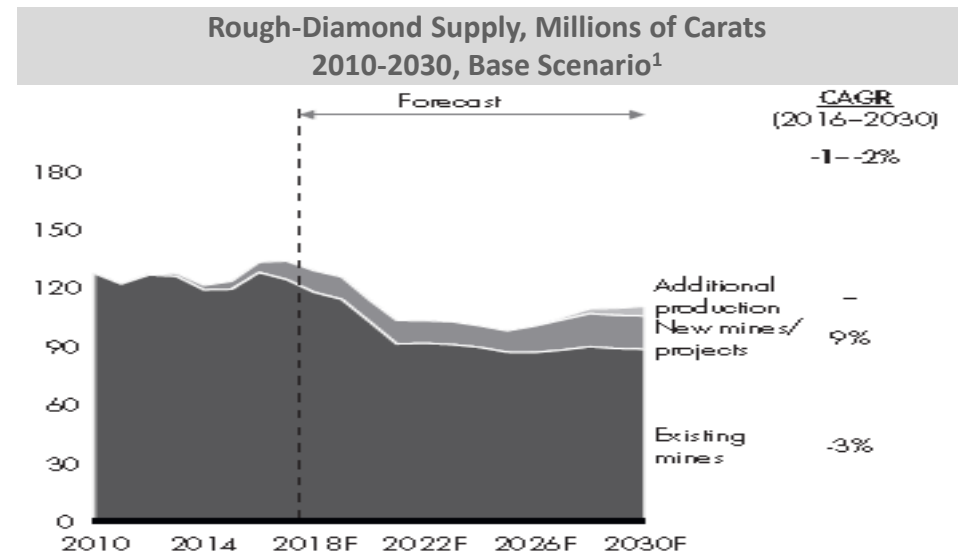
# Krone-Endora at Venetia Overview

- **Total Project Area**  
5,888 ha or 14,549 acres
- **Initial NI43-101 Area**  
~307 ha or 759 acres
- **Initial Mining Right**  
Granted over key area of ~657 ha or 1,625 acres (30 years)
- **Low-Cost Mining**  
Surface mining, no stripping, blasting, or underground
- **Significant Growth**  
Extensive areas yet to be quantified



# Current Diamond Industry = Opportunity

- Many existing large mines are nearing the end of their production lives
- Future supplies expected to be strained
- Demand for quality natural gem diamonds expected to grow
- Competition between luxury retailers to secure diamonds is increasing, integrity of supply chain is key element
- Rough price increases 2020-> expected, with gem quality leading the way



1) Source: Bain & Company 2017 Diamond Report

2) Source: Macquarie Research, WWW International Ltd, Nov 2016

# Diamonds Recovered in Initial Exercises

- **~125,000 carats recovered as part of testing and commissioning exercises to date**  
Average ~\$175 US/Carat from processing of lower quality upper zone material only, recent sales of US\$200+/ct average
- **High % of gem or near gem quality**  
Diamonds mirror those of the source – Venetia
- **Final refinements to processing plants now complete**  
Now running all material from +1.0mm to -35.0mm – With that we see increase in SFD and the recovery of larger diamonds
- **Attractive rough diamond characteristics**  
Buyers report excellent cutting and polishing characteristics
- **Potential for large diamonds moving forward**  
Potential for significant added revenue - Largest to date 91.72







**DIAMCOR**  
MINING INC

**Extensive Infrastructure  
Complete**

# Significant Infrastructure In Place



- 558 holes drilled in areas of interest
- 50+ km of roads, bridges & drainage
- Security fencing, gates, checkpoints
- Extensive dams/water Infrastructure
- 20+ km of water pipelines



# Significant Infrastructure In Place



- 10+km main power line, back-up generators & solar power
- Worker housing for Employees
- Full compliment of heavy equipment
- ~500 TPH in-field Dry-Screening Plant
- ~150 TPH Main Treatment Plant



# In-field Dry Screening Plant

- Extensive development over a period of several years
- Deposit specific - ~500TPH
- Successfully screens off fine material under 1.0mm
- Dry system - uses no water
- Reduces / pre-concentrates the total volume of material to be processed by ~60%
- Provides significant operational / cost benefits



# Main Treatment Plant

- DMS technology - extensive computerization/monitoring
- Deposit specific - ~150 TPH
- Processes screened material from dry-screening plant
- Processes size fractions from +1.0mm to ~35.0mm
- Dedicated large diamond recovery circuit
- Modular design



# Final Recovery

- **Flow-Sort Electronics XRT technology employed in multi-level facility**
- **Automated hands-off systems throughout all areas**
- **Dedicated large diamond recovery circuit (+/- 400cts)**
- **Computerized monitoring and control systems**
- **Extensive security throughout all areas (Biometrics, CCTV & other)**





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**Current Focus**  
**2019 --->**

# Key Focus moving Forward

## Q1 - 2019 forward....

### ➤ Processing Volume Increases are Underway

Initial results reflecting in \$/ct and larger diamond recoveries

### ➤ Processing Ramp = Increasing Revenues

\$/ct shows very strong profit potential from just ROM

### ➤ Large Diamond circuit now Operational

Potential for significant added revenue now reality

### ➤ Processing of higher grade material from Stockpile

Potential increases in average size and large diamond recoveries

### ➤ Growth into Surrounding Areas for Long-Term

Exploration into surrounding areas to begin late 2019





# Processing Targets Moving Forward

- Processing limitations due to water issues corrected by modifications completed in Q4-2018
- Processing volumes are now increasing, further increases targeted for Q1-2019 ->
- Plant designed to support processing volumes of 500 TPH, or 300,000 TPM – currently processing fraction of capacity
- Average grades remain on target, as does very low operating cost due to no requirement for underground
- Updated NI43-101 1.4M carats – based on initial K1 area only, significant growth potential from surrounding areas

*(\* Inferred resource estimate with majority in K1 area only – sampling of K3 & Confluence to determine additional potential pending )*



## ➤ 2018 – All About Weathering the Resource Downturn

Very difficult time for all in resource sector – over with?

## ➤ Q4-2018 - Finalization of Processing Plants

Successfully Completed – Ramp-up now underway

## ➤ Q1-2019 – Increased Processing & Increasing Revenues

Historical \$/ct very good – Recent \$/ct is increasing

## ➤ 2019 – Targeting Initial Production Decision

Along with move to 24/7 operations

## ➤ 2019 → Exploration into Surrounding Areas to begin

Significant areas yet to be defined





# Key Takeaways

- **Supply / Demand Opportunity** – Ability to supply rough diamonds if demands exceed supplies as predicted
- **Quality Project** – Project's association with De Beer's Venetia mine is significant, with many benefits
- **Tiffany & Co. Alliance** – Quality strategic alliance partner
- **Extensive Infrastructure In Place** – Roads, water, power, deposit specific plants, housing, suppliers, etc., all in place.
- **Processing Volumes Now Increasing** – Increasing revenues and potential for large diamond recoveries evident
- **Potential for Profitability** – Even current volume/cash-flow demonstrates potential for short-term profitability
- **Compelling Opportunity** – Depressed valuation, extensive development, cash-flow, near-term production potential, proven diamond quality, and future growth potential



# Share Structure Overview

 TSX Venture Symbol **V.DMI**

 OTCQB Symbol **DMIFF**

Issued & Outstanding **63.8M**

Shares – Fully Diluted<sup>1</sup> **78.0M**

Market Capitalization **\$19.2M**

Stock Price (12/31/18) **\$0.30**

52 Week Low-High **\$0.24-\$0.59**

Insider Holdings **~15%**

Institutional Holdings **~45%**



V.DMI - 12 Month Chart to December 31-2018

Footnotes:

- 1) Excludes shares issuable pursuant to Tiffany & Co. final convertible debenture (1.0M shares @ \$1.60)
- 2) All figures shown in CND \$