

## NEWS RELEASE

**DNI METALS INC. (DNI : CSE) (DG7N : Frankfurt) (DMNKF:OTC)**  
**FOR RELEASE – January 22, 2018**

### **DNI Metals – Assays for an Additional 5 of 46 Drill Holes Received; Including 18m Grading 8.63% Graphitic Carbon**

**Toronto, Ontario - (Newsfile Corp. – January 22, 2017) DNI Metals Inc. (DNI: CSE) ("DNI" or the "Company")**

#### **Highlights**

- **VHTAC0047: 7.50m @ 8.00% GC; from 16.00m**
- **VHTAC0049: 4.50m @ 7.75% GC; from 7.00m**
- **VHTAC0052: 18.00m @ 8.63% GC; from 5.50m (*incl. 9.00m @ 11.19%GC; from 13.00m*);**

DNI Is pleased to announce the following (refer Figures 1 & 2 following):

1. Receipt of the fifth batch of drilling assay results from its recent drilling and trenching programme at its 100%-owned Vohitsara Graphite Project in Madagascar; incorporating five (5) additional assayed drill holes from both the Main and Southwest Zones. All holes were mineralised;
2. Drilling continues to confirm that free-dig saprolitic weathered material has been developed to depths in excess of 30 metres below natural surface; averaging
- 3.
4. As previously reported, all drill and trench samples from the 2017 drilling programme have now been received at the Laboratory and further results are expected in the near term.

Dan Weir, CEO, commented: *"We look forward to additional assays from this recent programme and to moving forward with building the pilot plant / small-scale production at our 100%-owned Vohitsara project, in 2018."*

**Table 1: Composite Results:**

BHID	From	To	Interval	%GC	Description
VHTAC0042	01.00	10.00	09.00	03.13	9.00m@3.13%GC; from 1.00m
VHTAC0047	07.00	10.00	03.00	06.46	3.00m@6.46% GC; from 7.00m
	16.00	23.50	07.50	08.00	7.50m@8.00% GC; from 16.00m
	28.00	32.50	04.50	04.81	4.50m@4.81% GC; from 28.00m
VHTAC0046	10.00	14.50	04.50	06.19	4.50m@6.19% GC; from 10.00m
	26.50	29.50	03.00	03.49	3.00m@3.49% GC; from 26.50m
VHTAC0049	07.00	11.50	04.50	07.75	4.50m@7.75% GC; from 7.00m
VHTAC0052	05.50	23.50	18.00	08.63	18.00m@8.63% GC; from 5.50m
<i>incl</i>	<i>13.00</i>	<i>22.00</i>	<i>09.00</i>	<i>11.19</i>	<i>incl: 9.00m@11.19 GC; from 13.00m</i>

All holes assayed were mineralised. A lower cut-off grade of 3.00% GC was applied to mineralised intercepts. A full listing of all 89 assay results is appended at the back of this document.

**Disclosure:** Note that insufficient geological data currently exist to accurately determine true mineralization widths as compared to intersection widths as listed in Table 1 above. Note also that the intersected mineralization is hosted within weathered in-situ saprolitic material and is known to be broadly disseminated within this regolith horizon in the area currently being tested by drilling.

### **Drill Collars:**

BHID	Type	Project	Area	mE (UTM)	mN (UTM)	mAMSL	Grid	Datum	Zone	Dip	Azim (T)	EOH (m)
VHTAC042	RC (89mm)	Vohitsara	SWZ	303,692	7,949,558	35	UTM	WGS84	39K	-90	000	38.50
VHTAC046	RC (89mm)	Vohitsara	SWZ	303,776	7,949,553	45	UTM	WGS84	39K	-90	000	29.50
VHTAC047	RC (89mm)	Vohitsara	MZ	305,102	7,949,966	78	UTM	WGS84	39K	-90	000	37.50
VHTAC049	RC (89mm)	Vohitsara	MZ	305,105	7,950,048	60	UTM	WGS84	39K	-90	000	19.00
VHTAC052	RC (89mm)	Vohitsara	MZ	305,038	7,950,064	68	UTM	WGS85	39K	-90	000	32.50

Holes VHTAC0042 and 0046 are plotted on Figure 2 (Southwest Zone), with the remaining holes plotted on Figure 1 (Main Zone) appended to the back of this report.

Also note that VHTAC0042 was later twinned by core hole VHTDD006; which returned a previously reported equivalent intercept of 6.00m grading 3.72% GC; from 5.50m down hole. All holes were drilled vertically to blade refusal.

All representative samples were prepared and collected by or under supervision of DNI's Country Manager, Steven Goertz. Mr. Goertz is a Geologist and is a Qualified Person under NI43-101 regulations. Mr. Goertz has approved this Press release.

The samples were processed at AGAT Laboratories, in Ontario, Canada. Graphitic carbon assays were performed using a modified infrared assay method. This method is preferable to other industry-accepted assay methods; inclusive of varying forms of Loss on Ignition (LOI) testing. All analysis were performed using LECO instruments.

### **About DNI Metals**

**Certain advisors and directors of DNI have significant operational experience at historical hard rock graphite mines in Canada (e.g. Ontario and Quebec) and Australia. Between them, they have built three (3) processing plants and designed two (2) others; all, which were shut down in the 1990,'s due to increased Chinese competition. Keith Minty, a director, previously worked at Cal Graphite near Kearny, Ontario.**

**It was our team's understanding of the high production and capital expenditure costs associated with so-called "*hard rock*" graphite mining that inspired DNI to search for saprolite-hosted graphite deposits.**

**Certain parts Madagascar and Brazil, produce graphite from weathered material called saprolite.**

**According to Dictionary.com, saprolite is described as:**

***"Soft, thoroughly decomposed and porous rock, often rich in clay, formed by the in place chemical weathering of igneous, metamorphic, or sedimentary rocks. Saprolite is especially common in humid and tropical climates. It is usually reddish brown or grayish white and contains those structures (such as cross-stratification) that were present in the original rock from which it formed."***

**DNI owns two permitted, saprolite-hosted graphite projects in Madagascar, Vohitsara and Marofody, which are located 50kms from the country's main seaport. These projects are contiguous, with the bulk of their respective mineralisation located between two (2) and four (4) kms from the paved national highway; which bisects the tenement area. DNI intends to develop both the Vohitsara and Marofody projects, should the economic viability and technical**

**feasibility be established. DNI has not yet established mineral resources or mineral reserves supported by a PEA or mining study (PFS or FS).**

**DNI has a graphite wholesale business, in which it buys and sells high quality graphite. This business has shown a steady increase in volume over the past year.**

**Steven Goertz (MAusIMM, MAIG), who is a qualified person, approved the technical disclosure in this news release.**

DNI – Canadian Securities Exchange  
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*We seek Safe Harbour. This announcement may include forward looking statements. While these statements represent DNI's best current judgment, they are subject to risks and uncertainties that could cause actual results to vary, including risk factors listed in DNI's Annual Information Form and its MD&A's, all of which are available from SEDAR and on its website.*

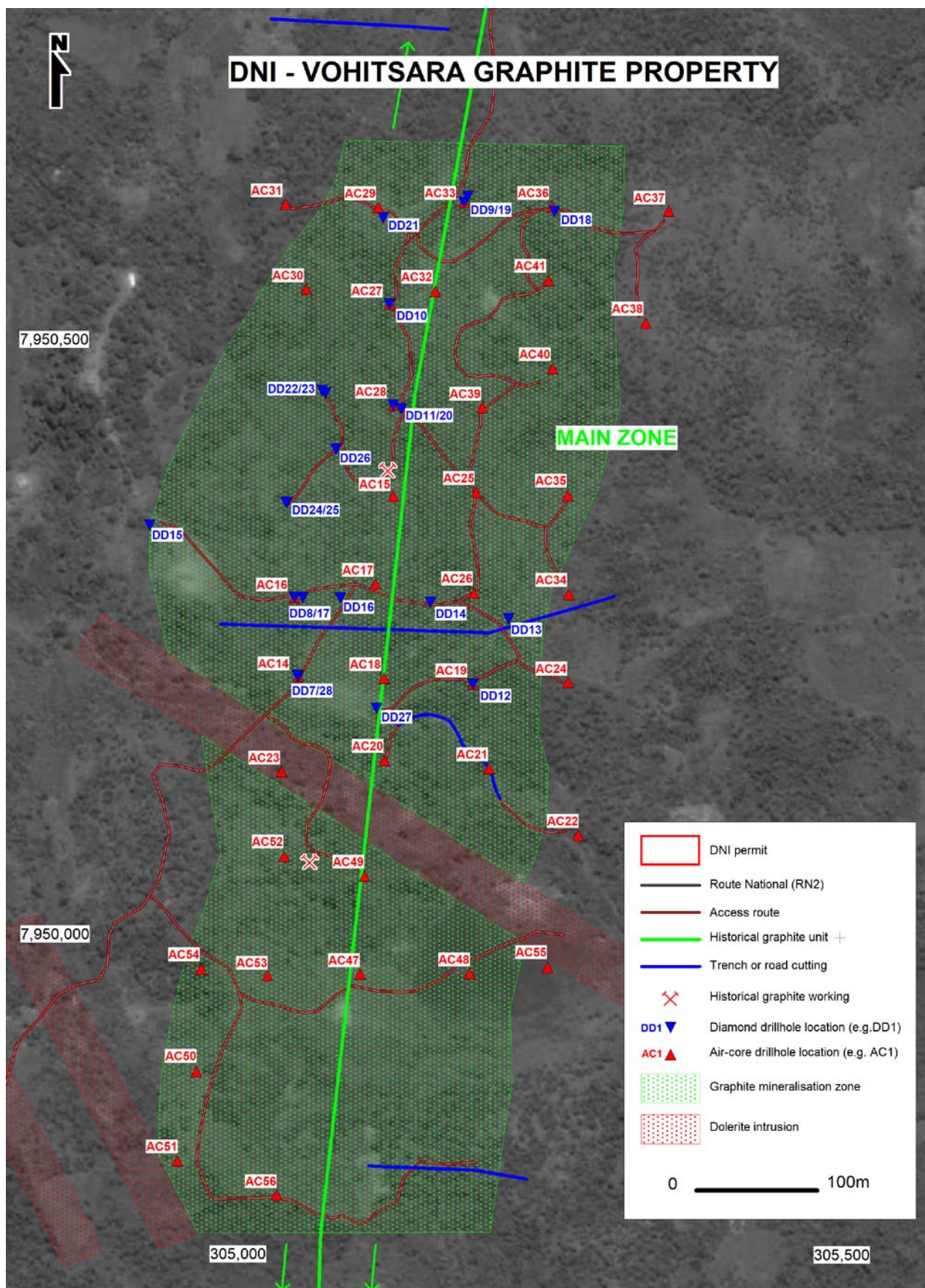


Figure 1: Summary Working Plan for the Vohitsara Project (Main Zone) - showing locations of all drill holes.



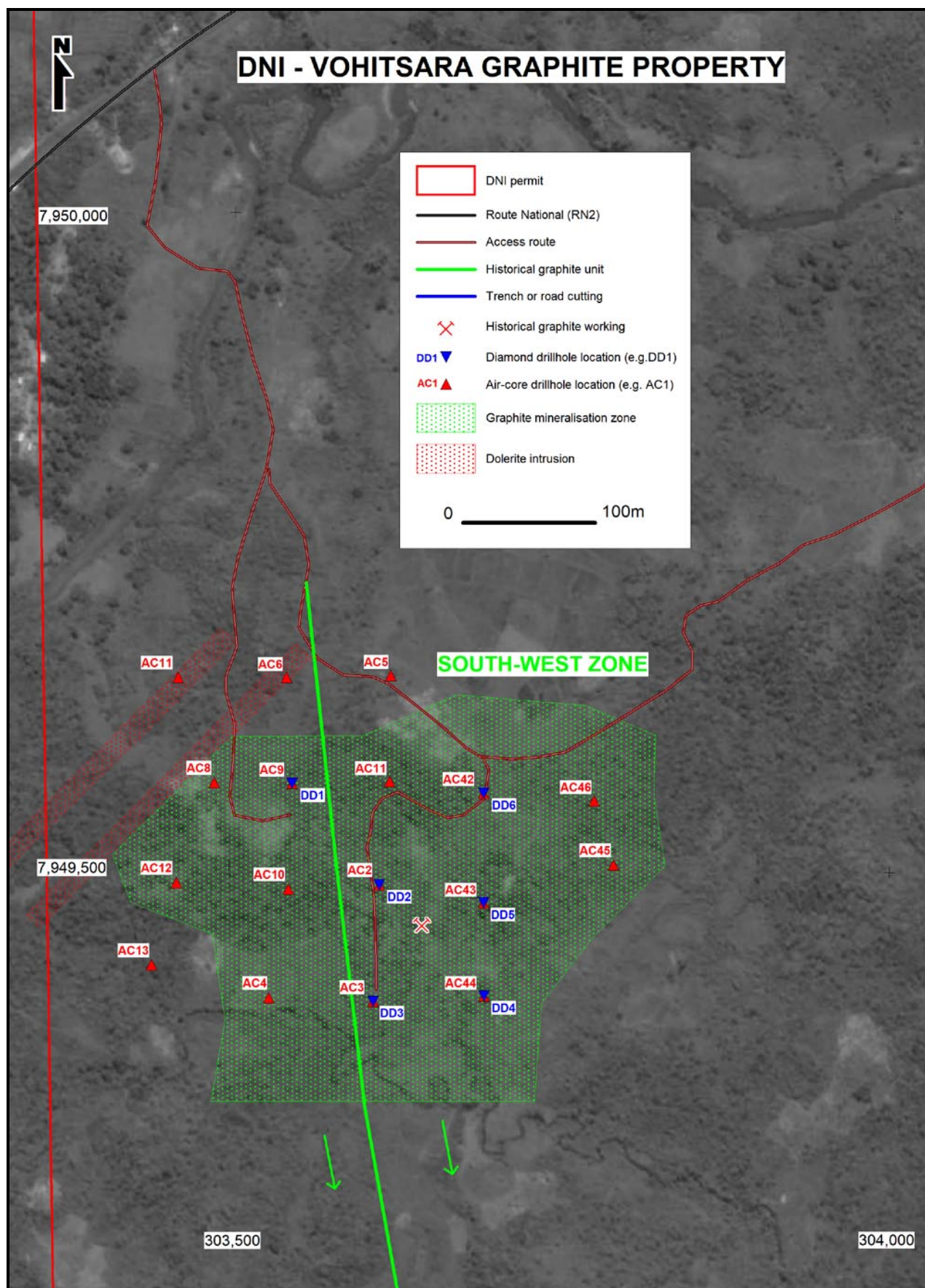


Figure 2: Summary Working Plan for the Vohitsara Project (Southwest Zone) - showing locations of all drill holes.

### APPENDIX 1 – ASSAY RESULTS – DRILLING:

BH ID	From	To	Sample ID	GC %
VHTAC047	00.00	01.00	E5812155	00.72
VHTAC047	01.00	02.50	E5812156	01.27
VHTAC047	02.50	04.00	E5812157	00.35
VHTAC047	04.00	05.50	E5812158	00.48
VHTAC047	05.50	07.00	E5812159	01.16
VHTAC047	07.00	08.50	E5812161	08.42
VHTAC047	08.50	10.00	E5812162	04.49
VHTAC047	10.00	11.50	E5812163	01.32
VHTAC047	11.50	13.00	E5812164	02.61
VHTAC047	13.00	14.50	E5812165	01.81
VHTAC047	14.50	16.00	E5812166	00.93
VHTAC047	16.00	17.50	E5812167	03.39
VHTAC047	17.50	19.00	E5812168	11.50
VHTAC047	19.00	20.50	E5812169	11.50
VHTAC047	20.50	22.00	E5812171	08.36
VHTAC047	22.00	23.50	E5812172	05.26
VHTAC047	23.50	25.00	E5812173	02.49
VHTAC047	25.00	26.50	E5812174	01.74
VHTAC047	26.50	28.00	E5812176	00.85
VHTAC047	28.00	29.50	E5812177	05.15
VHTAC047	29.50	31.00	E5812178	04.98
VHTAC047	31.00	32.50	E5812179	04.31
VHTAC047	32.50	34.00	E5812181	02.70
VHTAC047	34.00	35.50	E5812182	02.90
VHTAC047	35.50	37.00	E5812183	01.61
VHTAC047	37.00	38.50	E5812184	02.30
VHTAC052	00.00	01.00	E5812185	01.25
VHTAC052	01.00	02.50	E5812186	00.31
VHTAC052	02.50	04.00	E5812187	00.15
VHTAC052	04.00	05.50	E5812188	00.10
VHTAC052	05.50	07.00	E5812189	05.10
VHTAC052	07.00	08.50	E5812191	06.44
VHTAC052	08.50	10.00	E5812192	08.27
VHTAC052	10.00	11.50	E5812193	06.40
VHTAC052	11.50	13.00	E5812194	03.96
VHTAC052	13.00	14.50	E5812195	10.10
VHTAC052	14.50	16.00	E5812196	09.58
VHTAC052	16.00	17.50	E5812197	05.92
VHTAC052	17.50	19.00	E5812198	07.15
VHTAC052	19.00	20.50	E5812199	14.90
VHTAC052	20.50	22.00	E5812301	19.50
VHTAC052	22.00	23.50	E5812302	06.28
VHTAC052	23.50	25.00	E5812303	02.66
VHTAC052	25.00	26.50	E5812304	02.80
VHTAC052	26.50	28.00	E5812305	01.87

BH ID	From	To	Sample ID	GC %
VHTAC052	28.00	29.50	E5812306	00.60
VHTAC052	29.50	31.00	E5812307	00.20
VHTAC052	31.00	32.50	E5812308	00.63
VHTAC049	00.00	01.00	E5812309	00.33
VHTAC049	01.00	02.50	E5812311	00.43
VHTAC049	02.50	04.00	E5812312	02.73
VHTAC049	04.00	05.50	E5812313	01.13
VHTAC049	05.50	07.00	E5812314	02.88
VHTAC049	07.00	08.50	E5812315	10.30
VHTAC049	08.50	10.00	E5812316	08.31
VHTAC049	10.00	11.50	E5812317	04.64
VHTAC049	11.50	13.00	E5812318	01.04
VHTAC049	13.00	14.50	E5812319	00.61
VHTAC049	14.50	16.00	E5812321	02.81
VHTAC049	16.00	17.50	E5812322	00.69
VHTAC049	17.50	19.00	E5812323	00.34
VHTAC046	00.00	01.00	E5812339	02.01
VHTAC046	01.00	02.50	E5812341	01.57
VHTAC046	02.50	04.00	E5812342	01.57
VHTAC046	04.00	05.50	E5812343	02.33
VHTAC046	05.50	07.00	E5812344	02.18
VHTAC046	07.00	08.50	E5812345	01.83
VHTAC046	08.50	10.00	E5812346	01.33
VHTAC046	10.00	11.50	E5812347	04.26
VHTAC046	11.50	13.00	E5812348	09.04
VHTAC046	13.00	14.50	E5812349	05.28
VHTAC046	14.50	16.00	E5812351	00.95
VHTAC046	16.00	17.50	E5812352	00.43
VHTAC046	17.50	19.00	E5812353	00.29
VHTAC046	19.00	20.50	E5812354	00.67
VHTAC046	20.50	22.00	E5812355	00.43
VHTAC046	22.00	23.50	E5812356	00.37
VHTAC046	23.50	25.00	E5812357	00.90
VHTAC046	25.00	26.50	E5812358	02.51
VHTAC046	26.50	28.00	E5812359	03.23
VHTAC046	28.00	29.50	E5812361	03.74
VHTAC042	00.00	01.00	E5812362	01.13
VHTAC042	01.00	02.50	E5812363	04.15
VHTAC042	02.50	04.00	E5812364	02.51
VHTAC042	04.00	05.50	E5812365	01.30
VHTAC042	05.50	07.00	E5812366	04.32
VHTAC042	07.00	08.50	E5812367	02.24
VHTAC042	08.50	10.00	E5812368	04.26
VHTAC042	10.00	11.50	E5812369	01.22