

NEWS RELEASE

DNI METALS INC. (DNI : CSE) (DMNKF:OTC)
FOR RELEASE – January 25, 2018

DNI Metals – Delivers Bulk Sample to India

Toronto, Ontario - (Newsfile Corp. – January 25, 2017) DNI Metals Inc. (DNI: CSE) ("DNI" or the "Company")

DNI is pleased to announce that it has now delivered a 28 tonne bulk sample to India. This sample comprises 14 tonnes from each of the Main Zone ('MZ') and Southwest Zone ('SWZ'), of DNI's 100% owned Vohitsara graphite project in Madagascar. The Indian group, a potential off-take customer, will process the material at its plant, and report the results back to DNI. This group have previously tested a small sample from Vohitsara and were so encouraged that they have now requested a larger sample.

DNI collected a total of 60 tonnes of mineralised material, 30 tonnes from the Southwest Zone, and 30 tonnes from the Main Zone, in November 2017. Location of these samples is plotted on Figure 1 following.

DNI understands the importance of having the ability to deliver larger, multi-tonne bulk samples in the range of 10 to 20 tonnes to potential customers. This is part of the reason DNI is planning to construct a pilot plant / small scale production plant on its property in Madagascar in the near term.

DNI has focused on building customers in Korea, India and the USA. Having recently signed a binding agreement to supply graphite to Korean end users (**NB:** refer DNI's Press release dated January 15, 2018: "*DNI Metals – Signs Binding Agreement with Korea Graphite to Supply Flake Graphite for Korean End Users subject to Korea Graphite finalising offtake agreements with Korean end users*"), DNI has now turned its focus to partnering with an experienced group to supply graphite to India.

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.

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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: Location of Bulk Samples from Vohitsara Property

