

NEWS RELEASE

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES/

DNI METALS INC. (DNI : CSE)(DMNKF : OTC)

FOR RELEASE – June 28, 2018

DNI to Grant a New Warrant to Holders That Exercise Their Current Warrant and is reducing, for a limited time period, the exercise price of certain outstanding Warrants.

New Warrant

DNI Metals Inc, "DNI", "The Company", is pleased to offer existing holders of warrants of the company, that if they exercise their current warrant(s) and the company receives payment for the exercised warrant(s), before July 30, 2018, 5pm EST, that the company will issue the warrant holder a new warrant.

The offer will be limited to \$1.25 million or 15,625,000 warrants on a first come first serve basis.

Each new full warrant entitles the bearer to purchase one Common Share of the company at an exercise price of **C\$.20** per share for a period of **60 months** from the exercise date. If the closing market price of the Common Shares of the Company on the Canadian Securities is equal to or greater than, \$.30 per Common Share for a period of 30 consecutive trading days, or upon the public announcement of the board's decision to build a commercial processing plant capable of producing 10,000 metric tonnes per year of graphite, then the Company may deliver a notice (the "**Acceleration Notice**") to the Warrant holder notifying such Warrant holder that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Toronto time) on the thirtieth (30th) calendar day after the date of Acceleration Notice.

Repricing, for a limited time period, of \$.10, \$.15 and \$.16 warrants

The Company, subject to the conditions stated below, is reducing the exercise price of the following outstanding common share purchase warrants of the Company to \$0.08 per share for a limited time period:

The 100,000 common share purchase warrants of the Company with a current exercise price per share of \$0.15,
The 35,721,420 common share purchase warrants of the Company with a current exercise price per share of \$0.16, and
The 12,164,399 common share purchase warrants of the Company with a current exercise price per share of \$0.10.

In order to exercise such warrants at the reduced exercise price of \$0.08 per share, a holder of such warrants must validly exercise such warrants on or before, and the Company must receive full payment of the exercise price in immediately available funds on or before, July 30, 2018, at 5:00 pm (Toronto time), that the company will issue the warrant holder a new warrant.

The offer will be limited to \$1.25 million or 15,625,000 wts, on a first come first serve basis.

Each new full warrant entitles the bearer to purchase one Common Share of the company at an exercise price of **C\$.20** per share for a period of **60 months** from the exercise date. If the closing market price of the Common Shares of the Company on the Canadian Securities is equal to or greater than, \$.30 per Common Share for a period of 30 consecutive trading days, or upon the public announcement of the board's decision to build a commercial processing plant capable of producing 10,000 metric tonnes per year of graphite, then the Company may deliver a notice (the "**Acceleration Notice**") to the Warrant holder notifying such Warrant holder that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Toronto time) on the thirtieth (30th) calendar day after the date of Acceleration Notice.

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 deposits in Madagascar; located 50kms from the country's main seaport. The deposits are located less than two (2) kms from the paved national highway. DNI intends to develop the Vohitsara project, 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
DMNKF - OTC
Issued: 100,882,580

For further information, contact:
DNI Metals Inc. – Dan Weir, CEO 416-595-1195
DanWeir@dnimetals.com
Also visit www.dnimetals.com

Forward-looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, the following: (i) the geological characteristics of the projects; (ii) the potential to discover additional mineralization and to extend the area of mineralization; (iii) the potential to raise additional financing; and (iv) the potential to expand and upgrade the resource estimate of the projects. Forward-

looking information is subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign exchange rates, interest rates, imprecision in resource estimates, imprecision in opinions on geology, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective", "hope" and "continue" (or the negative thereof) and words and expressions of similar import. Although DNI believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.