

TORONTO, Aug. 25, 2015 /CNW/ - [DNI Metals Inc.](#) 'DNI' is pleased to announce that it has signed a non-binding Letter of Intent, to purchase a company that vertically integrates DNI's developing Graphite business.

This acquisition when completed, DNI's graphite trading business, and a gold royalty will give DNI three sources of cash-flow. This cash-flow will assist DNI in developing its fully permitted Madagascar graphite project, and other potential projects.

More than 62 Canadian and US patents and technologies have been developed at this facility. With this acquisition DNI will own a number of these patents and technologies.

Making up approximately 87% of the acquisition value, are Hard Assets comprising of a 37,000 square foot, two story high facility, located in the Greater Toronto Area. All the equipment needed to operate Pilot Plants and Laboratories, that are used to complete metallurgical, clean technology, and environmental testing will now be owned by DNI upon completion of the transaction.

A building mortgage and vendor take back will account for 75% of the acquisition cost. 20% of the building is rented out at competitive rates, creating income.

The Vendor's business model has focused on developing technologies.

The facility and equipment will allow DNI to drive multiple revenue streams:

1. DNI will continue to develop technologies
2. DNI plans to increase the revenue from the labs and the Pilot Plants.
3. DNI can use this fully permitted facility to develop and implement various technologies to upgrade graphite, thus increasing the sale value of every tonne of graphite being sold.

Developing a large-flake graphite project, requires a significant amount of money being spent at laboratories. Drilling assays, and pilot plant / metallurgical work must be done. Having its own lab will allow DNI to fast track the development of its fully permitted graphite project and potentially save DNI and its shareholders thousands of dollars.

Every producing graphite mine must certify its products for carbon content, ash content, moisture content, particle size, and impurities. Having its own Laboratory, experts and training facility, allows DNI to provide its graphite buyers with a Secure, Reliable, and Consistent supply of graphite.

Due to confidentiality obligations, DNI cannot release the name of the company that it is acquiring. Within the next 90 days, if the 45 day Due Diligence period is completed and a Definitive agreement is signed, DNI will be able to disclose the name of the company, and all the details of the acquisition.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release

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We seek Safe Harbour. This announcement includes 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&As, all of which are available from SEDAR and on its website.

SOURCE [DNI Metals Inc.](#)

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