

TORONTO, June 15, 2015 /CNW/ - [DNI Metals Inc.](#) ("DNI") is pleased to announce that, having successfully completed its due diligence investigations, it has, through its wholly-owned subsidiary DNI Metals Madagascar Sarl ("DNI Madagascar"), entered into a definitive agreement (the "Definitive Agreement") with Ms. Mamy Estelle Randrianasolo and Mr. Robert Barnes, for the acquisition of a graphite mineral exploration project in Madagascar (the "Property"). Pursuant to the Definitive Agreement, DNI Madagascar will acquire the mining permit covering the Property in exchange for an aggregate of US\$400,000 in cash, of which: (i) - US\$10,000 has been previously paid as a non-refundable deposit; (ii) - US\$90,000 is payable upon closing of the transaction, and has been wired to the vendors; (iii) - US\$150,000 is payable 180 days following closing; and (iv) - US\$150,000 is payable on the earlier of the third anniversary of closing, or a determination by the board of directors of DNI to proceed with commercial production at the Property.

Under the structure of the Definitive Agreement Robert Barnes, the Lender, lends to DNI Metals, the Borrower, a Loan amounting to US\$380,000 (Three Hundred Eighty Thousand United States Dollars). The Loan is intended to formalise the reimbursement by the Borrower of certain expenses and funds made by the Lender in respect of the activities carried out by Ms. Mamy Estelle over the Property; which is in the process of being acquired by the Borrower via a Madagascar-domiciled Mining Permit Sale Agreement. Repayment of this loan is described above.

As security for this loan, DNI Metals has entered into a pledge agreement, whereby DNI pledges the entirety of the shares of its 100% owned subsidiary DNI Madagascar Sarl to Mr. Barnes as Lender. The pledge will expire upon discharge of all payments owing under the Definitive Agreement. The Definitive Agreement is fully in compliance with the legal requirements in force in the Republic of Madagascar.

DNI has also agreed to issue an aggregate of 4,000,000 common shares as consideration for the assignment to DNI of the exclusive right to negotiate for the acquisition of the Property.

The completion of the transaction, including the above-mentioned issuance of common shares, is subject to certain closing conditions, including the approval of the TSX Venture Exchange (the "TSXV"). Any securities issued in connection with the transaction will be subject to a statutory hold period of four months plus one day.

Daniel J. Weir, CEO of DNI, commented, "I would like to thank everyone involved in completing this agreement. The professional team at DNI is very excited about this world class graphite property. With other graphite projects in the world having large capex costs and operating costs due to the "hard rock" they are working in (North America), DNI has focused on weathered rock, "saprolitic rock" or soft material found in countries like Madagascar and Brazil. Costs can be significantly lower when working in saprolite."

As per DNI's press releases dated April 1, 2015 and April 8, 2015; the due diligence trip in March returned head grades of 9.85%, 10.0% and 35.5% Graphitic Carbon. Further testing of these samples has returned the following results:

Jumbo and Large Flake distribution of greater than 62.5%.

Jumbo and Large Flake Graphitic Carbon content ranging 91.3 to 97.9%

Flake Size	Flake Distribution	Flake Description	Graphitic Carbon Content %
+20 Mesh / + 841 Microns	13.7%	Super Jumbo	97.9%
+30 Mesh / +595 Microns	1.9%	Jumbo	-
+50 Mesh / +297 Microns	40.0%	Jumbo	96.7%
+70 Mesh / +210 Microns	6.9%	Large	91.3%
+100 Mesh / +149 Microns	12.9%	Medium	88.8%
+140 Mesh / +105 Microns	4.2%	Small	87.3%
-140 Mesh / -105 Microns	20.4%	Small	89.0%
Total	100.0%		

All representative samples were collected under supervision of DNI's Country Manager, Steven Goertz. The samples were processed at Process Research Ortech Inc. and Agat Laboratories, both located in Ontario, Canada.

Graphitic carbon assays were performed using a modified infrared assay method. This method is preferable to other industry-accepted assay methods including varying forms of Loss on Ignition (LOI) testing.

Contact

[DNI Metals Inc.](#) - Dan Weir, President & CEO, 416-595-1195, DanWeir@dnimetals.com; email ir@dnimetals.com. Also visit [dnimetals.com](#). These results were obtained via conventional flotation only without chemical treatment, i.e. without the use of strong bases (NaOH – caustic roast technique) or acids (H₂SO₄/HF – acid leach technique).

Steven Goertz, DNI's Country Manager and a Qualified Person under JORC and National Instrument 43-101, supervised the preparation of the information in this news release and approved this news release.

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.

DNI - TSX Venture
DG7 - Frankfurt
Issued: 21,967,004 common shares

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.

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