Toronto, Ontario--(Newsfile Corp. - February 9, 2017) - DNI Metals Inc. (CSE: DNI) (FSE: DG7N) (OTC Pink: DMNKF) ("DNI" or the "Company") is pleased to announce:

- Drilling rig dispatched from Brazil and will arrival in Madagascar within the next 21 days. Drilling to commence in March.
- The project is permitted for production.
- Local communities engaged and supportive of exploration and potential mining activities
- Independent Metallurgical Laboratories engaged to Manage PEA
- Sahara Mining Services engaged to manage Resource Definition work.
- Surveying of the 2 km road to the site is complete, road construction to be completed before the end of February.
    - Note: The main zone of DNI's Vohitsara Graphite project is 2kms off a paved highway, 50kms from the country's main port.
- DNI has negotiated the purchase of the land for the road, the final cost of the land should be less that U$5,000.
- According the agreement announced Dec. 16, 2016 with Cougar Metals NL (ASX:CGM) "Cougar":
    - Cougar shall have the right to earn a 49% interest in DNI's License by completing a NI 43-101 and Jorc compliant resource study and PEA by June 30, 2017. The NI-43-101 compliant PEA and the NI-43-101 compliant resource study must contain:
        - (i) minimum of 3,000 meters of drilling, to a maximum depth of 50 meters, or deeper if mutually agreed upon by DN and Cougar compliant with NI-43-101 and Jorc regulations
        - (ii) minimum of 1,000 meters of trenching compliant with NI-43-101 and Jorc regulations.
        - (iii) Provide concentrate samples to DNI, for the purpose of establishing offtake agreements.
- DNI presented at the Indaba mining conference in South Africa this week and continues to emphasize the Advantage of Saprolitic ``weathered rock`` over Hard Rock, graphite deposits.
    - Certain, advisors and directors of DNI have built and worked at historical mines in Canada (Ontario and Quebec) and Australia. They built three graphite processing plants and designed two others, all which were shut down in the 1990's due to increased Chinese competition.
    - It was our team's understanding of the high production and capital expenditure costs associated with "hard rock" graphite mining that inspired DNI to search for low cost "Saprolitic deposits".
    - Madagascar has been producing graphite from Saprolite for over 100 years and can compete directly with China.

DNI and Bullrun have decided to not move forward with the sale/purchase of DNI's Alberta polymetallic deposit. DNI has been approached by another potential buyer and will assess all potential opportunities.

Steven Goertz, who is a qualified person, approved the technical disclosure in this news release.

DNI — Canadian Securities Exchange
DG7N — Frankfurt
DMNKF - OTC
Issued: 39,724,204

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

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&As, all of which are available from SEDAR and on its website.