

TORONTO, ON / ACCESSWIRE / January 26, 2017 / [DNI Metals Inc.](#) (CSE: DNI) ("DNI" or the "Company"): 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".

Brazil and Madagascar have been producing graphite from Saprolite for over 100 years and can compete directly with China. Brazil is in fact the second largest producer of flake graphite in the world behind China.

DNI owns a permitted, Saprolite-hosted graphite deposit in Madagascar; located 50kms from the country's main seaport. The deposit is 1.6kms off an arterial paved highway. As per the press release dated December 16, 2016, DNI has signed an agreement with Cougar Metals (ASX: CGM) to develop the project.

Under the terms of the agreement, Cougar will complete a resource delineation-drilling programme within the project and complete NI 43-101 resource and PEA reports to earn 49% of the project. DNI expects all of this work to be completed over the next 6 months.

During the first week of January 2017, Daniel Weir, CEO, and other members of the DNI team held meetings with the local people and government representatives in Madagascar to inform them of DNI's plans. Local representatives are excited about DNI's plans.

In 2016, DNI imported and sold graphite from Brazil. A total of 140 tonnes was delivered to clients. The material met or exceeded the client's expectations. It is important to note that it can take years to build client relationships, and you must be able to provide samples by the tonne. It can be very difficult and costly for non-producing projects to provide samples.

In 2017 and 2018, DNI plans to expand this business. A growing number of customers are looking for a reliable non-Chinese alternative, and DNI has been able to provide a high quality, source of material, at competitive prices.

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

DNI - Canadian Securities Exchange  
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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.*

SOURCE: [DNI Metals Inc.](#)