

NEWS RELEASE

**DNI METALS INC. (DNI : CSE) (DG7N : Frankfurt) (DMNKF:OTC)
FOR RELEASE – June 2, 2017**

DNI Metals – Closes an additional \$238,809.35

Toronto, Ontario - (Newsfile Corp. – June 2, 2017) DNI Metals Inc. (DNI: CSE) ("DNI" or the "Company")

DNI Is pleased to announce the following:

Further to its news release dated April 5th, 2017, the Company has closed, subject to final Regulatory approval, the second tranche (the "second Tranche") of its non-brokered private placement financing (the "Private Placement"). The second Tranche comprises 3,673,990 units of the Company (the "Units") at a price of CDN\$0.065 per Unit for aggregate gross proceeds of CDN\$238,809.35. Each Unit consists of one common share of the Company (a "Common Share") and one half common share purchase warrant of the Company ("Warrant"). Each Warrant will entitle the holder to acquire one additional Common Share at a price of CDN\$0.10 per Common Share for a period of 18 months following the date of the closing. All securities issued are subject to a four month hold period expiring on September 30th, 2017.

An aggregate cash commission of \$17,150, plus an aggregate of 242,846 common share purchase warrants (the "Finder's Warrants") are, subject to final Regulatory approval, payable in connection with the closing. Each Finder's Warrant will be exercisable into one Common Share at an exercise price of CDN\$.10 for a period of 18 months following issuance.

The Company expects to use the proceeds raised to fund general and operating working capital.

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

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, director, 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 a commercially permitted, saprolite-hosted graphite deposit in Madagascar; located 50kms from the country's main seaport. The deposit is 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.

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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.