

NEWS RELEASE

**DNI METALS INC. (DNI : CSE) (DG7N : Frankfurt) (DMNKF:OTC)
FOR RELEASE – March 27, 2017**

DNI Metals Completes DA with Cougar Metals – Drilling to start – Saprolite Graphite Advantage.

Toronto, Ontario - (Newsfile Corp. – March 27, 2017) DNI Metals Inc. (DNI: CSE) ("DNI" or the "Company")

DNI is pleased to announce the following:

1. The Definitive Agreement "DA" was finalized and signed on Friday March 24, 2017 with Cougar Metals (CGM:ASX) in which Cougar can earn into 50% of DNI's Madagascar Graphite Project.
2. Cougar has completed a financing in which it has sufficient funds to complete the earn-in.
3. NI 43-101 Resource Report must be completed by June 30, 2017
4. NI 43-101 PEA (Preliminary Economic Assessment) must be completed by October 31, 2017.
5. A\$200,000 to be paid to DNI by March 31, 2017
6. U\$150,000 to be paid to DNI by June 7, 2017, unless Cougar has withdrawn from the agreement by April 12, 2017.
7. One of Cougar's eight drills has arrived in Madagascar, and should be on the property within a week.
8. Cougar must drill a minimum of 3,000m to a maximum depth of 50m, and additionally complete 1,000m of trenching.
9. The Saprolitic advantage of DNI's graphite project, will simplify drilling for Cougar's experienced team. Cougar completed a drill program of a Saprolitic graphite deposit in Brazil, in 2015/2016.

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.

DNI – Canadian Securities Exchange
DG7N – Frankfurt
DMNKF - OTC
Issued: 40,558,775

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&A's, all of which are available from SEDAR and on its website.