

Toronto, Ontario--(Newsfile Corp. – February 29, 2016) - DNI METALS INC. (CSE: DNI) (FSE: DG7N) is pleased to provide a corporate update regarding the following corporate milestones:

DNI's Wholesale business:

DNI is pleased to be a partner with Great Lakes Graphite (TSXV : GLK) and recently supplied 40 tonnes to Great Lakes as press released on Thursday February 16th 2016 by the Company.

<http://www.greatlakesgraphite.com/2016/02/16/great-lakes-graphite-announces-receipt-of-initial-purchase-order/> . DNI continues to grow its graphite wholesale business to build relationships between graphite producers and offtake partners.

Progress on the Purchase of DNI Labs:

The current owners of the Lab have agreed to increase the Vendor Take Back (VTB) in regards to the purchase of the lab. DNI has been presented with several additional options to close the purchase, and is assessing each.

Acquisition of 2 mining companies:

DNI continues to work through the due diligence processes on the acquisitions of 2 Companies, CR Capital and a private mining company, as announced by DNI on January 28, 2016

<http://www.newsfilecorp.com/release/19025/DNI-Metals-Signs-NonBinding-Letter-of-Intent-LOIs-to-Acquire-Two-Companies#.VsnPUDbSnIU>.

Changes to DNI's Management Team:

DNI would like to announce that Colin Grant, DNI's current CFO is retiring, we wish him all the best. DNI is pleased to announce that Brian Howlett, CEO of CR Capital, will step in as interim CFO.

"Each component adds so much value and depth to DNI," says Dan Weir, CEO of DNI. "We are focused on building a vertically integrated industrial metals company, and owning a lab, securing offtake agreements and bolstering our management team, demonstrates that we're on the right track."

PDAC Presentation:

CEO Dan Weir has been asked to present during PDAC at the CSE, MNP LLP and Equities.com Luncheon on Tuesday March 8th 11:30am – 1pm at the Intercontinental Hotel, Ballroom A.

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.

DNI – Canadian Securities Exchange

DG7N – Frankfurt

Issued: 31,386,204

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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.

Caution Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the anticipated benefits of the Transaction to the Company and shareholders of the Company; the pro forma shareholdings of the Company's shareholders in DNI; execution of the Definitive Agreement, the timing and receipt of the required shareholder, stock exchange and regulatory approvals for the Transaction; the anticipated timing for mailing the management information circular to the shareholders of the Company in respect of the Transaction; the closing of the Transaction; the length of the current market cycle and requirements for an issuer to survive in the current market cycle; future growth potential of DNI and its business; and future mine development plans.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forwardlooking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: satisfaction or waiver of all applicable conditions to closing of the Transaction (including receipt of all necessary shareholder, stock exchange and regulatory approvals or consents, and the absence of material changes with respect to the parties and their respective businesses); the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets and the market price of the DNI Shares and the Company Shares; fluctuations in spot and forward prices of graphite or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation,

controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties. In addition, the failure of a party to comply with the terms of the Definitive Agreement (assuming the Definitive Agreement is entered into) may result in that party being required to pay a non-completion or other fee to the other party, the result of which could have a material adverse effect on the paying party's financial position and results of operations and its ability to fund growth prospects and current operations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended.

Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, the Company assumes no obligation to update the forward looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.