

DNI METALS INC. (CSE:DNI)(DMNKF:OTC)
FOR RELEASE – December 18, 2018

DNI Metals - Signs LOI to further develop its Vanadium / Polymetallic Alberta Black Shales deposit.

Toronto, Ontario - (Accesswire – December 18, 2018) DNI Metals Inc. (DNI: CSE; DNMKF: OTC) ("DNI" or the "Company")

DNI's focus is Graphite in Madagascar, but due to the increase in certain battery metals pricing including the value of **Vanadium, V₂O₅**, from \$5.89*per pound, in 2014, to over U\$27.50 the increase of **Cobalt, Co**, from U\$14.38* per pound, in 2013, to over U\$25.06, the increase in **Lithium, Li₂CO₃**, from U\$ 2.82* per pound to over U\$30.00, DNI Metals Inc, is pleased to announce that a number of parties have shown renewed interest in its Black Shales Polymetallic deposit in Alberta.

Note: All the mineral prices have changed, the \$Can/US exchange rate has changed, and input costs may have changed . *Prices as well used in DNI's resource report dated August 27, 2013.

Dan Weir, CEO, commented, "I want to emphasize that DNI is focused on developing its Graphite deposits in Madagascar. The previous management team and board of DNI did an amazing job, developing the Alberta Black Shales deposits. Over \$6.7 million was spent on developing the deposits. The new team and I were treating the Black shales as a non-core asset. It is great to see the renewed interest in the project, and the worldwide demand for Vanadium."

Highlights of DNI's Vanadium and Polymetallic Resource in Alberta.

Several studies on the resources and economic significance of the deposits have been completed and a summary of selected results is presented below. Further details can be found on SEDAR"

1. Vanadium - Buckton South- Inferred Resource - Lower Portion - Second White Speckled Shale Formation
 - a. 140,761,000 tons
 - b. Grade .1375%
 - c. 193,546 tons or 38,709,2000 lbs. of Vanadium
2. Vanadium - Buckton – Inferred Resource - Lower Portion - in Second White Speckled Shale Formation
 - a. 1,017,619,000 tons
 - b. Grade .1218%
 - c. 1,239,459 tons or 2,478,918,000 lbs. of Vanadium
3. Six Mineralized zones
 - a. Two zones have resources
 - i. Buckton – Inferred and Indicated

- ii. Buckton South - Inferred
- b. 30 kms south of the Buckton zone
 - i. Asphalt zone
 - ii. Drill hole 11AS01 26.8-37.9 metres (11.1m) Vanadium grade .0768

4. DNI's Polymetallic Deposits – Battery and Electric car Metals

- a. Lithium
- b. Cobalt
- c. Nickel
- d. Copper
- e. Rare Earths

Letter of Intent

DNI has signed a Letter of Intent (“LOI”) granting a private company (“Privateco”) an option to earn up to a 51% interest in DNI’s Alberta Black Shales Deposit. The LOI is generally non-binding, except for matters related to, among others, exclusive dealing and confidentiality.

DNI will grant to Privateco the option to earn an initial 51% interest in the Black Shales Property as follows:

- (a) upon execution of the LOI, Privateco is paying ONE HUNDRED THOUSAND dollars (Cdn\$100,000) to DNI;
- (b) on or before the date which is the earlier of 6 months from the date of the Definitive Agreement or 15 days after the date that Privateco completes an RTO/IPO transaction, Privateco would pay an additional ONE HUNDRED FIFTY THOUSAND dollars (Cdn\$150,000) to DNI; and
- (c) by incurring exploration and development expenditures on the Property of at least ONE MILLION dollars (Cdn\$1,000,000) on or before March 31, 2021.

Upon Privateco earning a 51% interest:

- 1. DNI would maintain a carried interest (49%) until Privateco obtains a bankable feasibility report; and
- 2. upon Privateco obtaining a bankable feasibility report, the parties would enter into a joint venture on and subject to terms typical for a joint venture, including standard dilution terms, whereby DNI would be obliged to contribute its 49% to all costs related to production, including the construction of a processing plant and related activities, or be diluted down to a 2% NSR.

Privateco is controlled by Jim Atkinson in trust and without personal liability for a corporation to be incorporated. This is an arm’s length transaction.

Dan Weir, CEO, commented, “Completing a deal with Privateco, will allow further development of its Vanadium / polymetallic assets, without sacrificing its Graphite Assets. We look forward to working with Privateco’s professional team.”

DNI has also received interest from a First Nation group to purchase one claim of its eight claims of the Alberta properties and make the area into a provincial park. This could possibly include the area where DNI has its indicated resources, the Buckton zone.

Note: DNI is aware of six mineralization zones, 3 that have been drilled, and that the 3 stretch over 30 kms apart. The 6 form an even bigger area.

Black Shales – Vanadium

DNI Metals owns a Polymetallic black shales deposit in Alberta.

Mineral resources are hosted in two near-surface stacked black shale horizons which are mineralized with recoverable Mo-Ni-U-V-Zn-Co-Cu-Li-REEs-Y-Th-Sc and are partly exposed on surface. Six mineralized systems, or zones, have been identified on DNI's Property in northeast Alberta.

Two zones, the Buckton and the Buckton South zones have inferred resources and the Buckton has in addition indicated resources.

Asphalt Mineralized Zone. Three holes were drilled over the Asphalt Mineralized Zone, in 2011. It is located approximately 30 kilometres to the south of the Buckton Mineralized Zone.

Buckton South - March 1, 2013 Technical Report

The Maiden Resource Estimate for the Buckton South Zone, SBH Property Northeast Alberta prepared by APEX Geoscience Ltd. classified an inferred resource consisting of 548 million short tons (497 million metric tonnes) of mineralized black shale extending over 3.3 square kilometres beneath less than 75m of overburden cover. This resource is hosted in the Labiche Formation and underlying Second White Speckled Shale Formation, which are two flat-lying Formations that are stacked to comprise a continuous thick zone of mineralized shale. The inferred resource is mineralized with recoverable Molybdenum (Mo), Nickel (Ni), Uranium (U), Vanadium (V), Zinc (Zn), Copper (Cu), Cobalt (Co), Lithium (Li), Scandium (Sc), Thorium (Th) and Rare Earth Elements Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy) and Yttrium (Y). The Resource Study estimates that the maiden inferred resource is overlain by 122 million short tons (110 million metric tonnes) of glacial till overburden cover.

Buckton - September 9, 2013 Technical Report

The Updated and Expanded Resource Estimate for the Buckton Zone SBH Property Northeast Alberta, prepared by APEX Geoscience Ltd. expanded the inferred resource at the Buckton Zone from 3.5 billion short tons to 4.9 billion short tons, in addition to upgrading a portion of it to the indicated resource class by delineating a 300 million short ton indicated mineral resource. The inferred and indicated resources together

extend over 21.9 square kilometres (approximately a 3kmx8km area), 20.4 square kilometres of which represents the aerial extent of the inferred resource.

Asphalt Mineralized Zone – Exploration Target

Three holes were drilled over the Asphalt Mineralized Zone*, located approximately 30 kilometres to the south of the Buckton Mineralized Zone*. A number of additional planned drill holes were deferred, including holes intended to upgrade a portion of the Asphalt Mineralized Zone* (previously named the Asphalt Potential Mineral Deposit*) into an inferred resource, and holes intended to verify projected extensions of the Zone* which is open in three directions.

As outlined in the SBH Technical Report, the Asphalt Potential Mineral Deposit* holds potential for hosting 109-132 million short tons of polymetallic mineralization extending over 4.5 square kilometers and is open in three directions. The Asphalt Potential Mineral Deposit* was recently renamed as the Asphalt Mineralized Zone* to harmonize nomenclature with Jun30/2011 amendments to NI-43-101. Although based on drilling and nearby outcrop exposures, the Asphalt Mineralized Zone*, as better outlined in the SBH Technical Report, is a target for further ongoing exploration, it is conceptual in nature as there has been insufficient drilling conducted over the Zone* to define a mineral resource, and it is uncertain whether further drilling will define a mineral resource over the Zone*.

DNI's current drilling reinforces geological extrapolations which suggest good continuity of mineralization within the Asphalt Mineralized Zone*.

Details of the drilling completed over the Asphalt Mineralized Zone* (holes 11AS01-11AS03) are tabulated below, showing analytical results, as well as comparative grades from adjacent historic holes 7AS01 and 7AS02.

Hole #	Depth (m)	Zone Width** (m)		Weighted Average Grade (ppm) ***									Specific Gravity
		From-To	Width	Mo	Ni	U	V	Zn	Cu	Co	Ag	Li	
11AS01	51.0	26.8-37.9	11.1	116	203	47	786	352	88	30	1.0	75	2.38
11AS02	106.5	95.5-106.5	11.0	65	137	30	682	281	89	23	0.9	85	2.48
11AS03	32.5	Hole Lost in overburden in bad ground @ 32.5m depth											
7AS01 historic	76.3	7.1-18.5	11.4	73	144	47	690	376	89	20	0.3	na	na
7AS02 historic	89.8	21.6-33.2	11.4	63	122	31	664	282	89	20	0.3	na	na

Hole #	Depth (m)	Zone Width** (m)		Weighted Average Grade (lb/st) ***								
		From-To	Width	Mo [MoO3]	Ni	U [U3O8]	V [V2O5]	Zn	Cu	Co	Li	
11AS01	51.0	26.8-37.9	11.1	0.23 [0.35]	0.41	0.09 [0.11]	1.57 [2.80]	0.70	0.18	0.06	0.15	
11AS02	106.5	95.5-106.5	11.0	0.13 [0.20]	0.27	0.06 [0.07]	1.36 [2.43]	0.56	0.18	0.05	0.17	
11AS03	32.5	Hole Lost in overburden in bad ground @ 32.5m depth										
7AS01 historic	76.3	7.1-18.5	11.4	0.15 [0.22]	0.29	0.09 [0.11]	1.38 [2.46]	0.75	0.18	0.04	na	

7AS02	89.8	21.6-33.2	11.4	0.13	0.24	0.06	1.33	0.56	0.18	0.04	na
historic				[0.19]		[0.07]	[2.37]				

Note: See notes attached to information tabulated above for the Buckton Mineralized Zone.*

The drilling over the Asphalt Mineralized Zone* serves to confirm historic drilling results. The results reiterate uniformity of grades between the Asphalt and Buckton Mineralized Zones* which are located some 30km apart, and continuity of bulk average grades over distances ranging 300m-760m between holes.

In addition, the recent drill results indicate that tonnages previously estimated for the Asphalt Mineralized Zone* in the SBH Technical Report, relying on historic information, are understated. While an estimated specific gravity of 2.1, per historic work records, was relied upon by the SBH Technical Report to estimate potential tonnages which might be hosted in the Asphalt Mineralized Zone*, specific gravity of the Speckled Shale as measured from the above drill core samples averages approximately 2.4 and, accordingly, revises potential tonnages estimated for the Asphalt Mineralized Zone* from 109-132 million short tons of polymetallic mineralization to 125-151 million short tons. The above specific gravity figures are consistent with results from surface sampling completed by DNI during the past two years.

NI 43-101 Disclosure

The information in this press release was taken from previous press releases and technical reports filed on Sedar between the years 2010-2014.

In 2013, the technical information had been prepared in accordance with Canadian regulatory requirements by, or under the supervision of, the following independent Qualified Persons: Mr. Eugene Puritch P.Eng. (per P&E Mining Consultants Inc.), Mr. Michael Dufresne P.Geol. (per APEX Geoscience Ltd.) and Mr. Bruce Cron P.Eng. (per Cron Metallurgical Ltd.) DNI's previous Qualified Person in respect of its Alberta polymetallic black shale project is Mr. Shahé F.Sabag P.Geo., former President and CEO of DNI.

James Atkinson P.Geo, and Qualified person, has reviewed and approved the information contained in this press release. The reports prepared by the previous consultants were completed by competent, Qualified Persons and the present QP believes the information to be accurate.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource reported herein will be converted into a mineral reserve. An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The metal recoveries reported represent preliminary mineral recovery testing results collated from the collective bench scale

laboratory testwork completed by DNI to date and may not reflect actual process recoverability that might be achieved in a mineral production operation, all of which is the subject of ongoing studies.

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

Forward-looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, the following: (i) the geological characteristics of the projects; (ii) the potential to discover additional mineralization and to extend the area of mineralization; (iii) the potential to raise additional financing; and (iv) the potential to expand and upgrade the resource estimate of the projects. Forward-looking information is subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign exchange rates, interest rates, imprecision in resource estimates, imprecision in opinions on geology, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective", "hope" and "continue" (or the negative thereof) and words and expressions of similar import. Although DNI believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.