



DNI TEAMS UP WITH CANMET

SECUTOR

CAPITAL MANAGEMENT CORP



DNI Metals Inc announced that it has teamed up with CANMET Mining and Minerals Science Laboratories, Ottawa, to advance the metallurgical testing for its polymetallic black shale project in northern Alberta. The partnership will concentrate on identifying, testing, and formulating refining processes for separating Rare Earth Elements (REE) from the leaching solution into saleable products. Testing is anticipated to begin shortly and will be partly funded by DNI. The work will build on DNI's previous leaching and bioleaching testing and will strive to optimize leaching parameters for samples on a larger scale than those tested in the Company's previous work.

CANMET Mining and Mineral Sciences Laboratories is a division of Natural Resources Canada and provides research, as well as advice, for the mining industry as well as for government departments. It researches and develops processes and technologies for the extraction and processing of ores. CANMET is recognized internationally for technical excellence in mining and mineral processing.

Samples from the Buckton polymetallic shale, which is the subject of the Inferred resource estimate, as well as the overburden material, which is also black shale, will be tested as part of the program. The program will use processing technologies from Chinese ionic clay adsorbed REE ores as a model. This process is comparatively straightforward, as far as REE processing goes, and yields a solution from which an REE concentrate can be precipitated. The method takes advantage of differences in the chemical behaviour of constituents to separate individual elements using selective oxidation or reduction reactions. This procedure can be used to economically exploit deposits with grades as low as 0.03 % (300 ppm) to 0.35 % (3500 ppm) total rare earth oxides (TREOY) to produce products with a 99.9999% purity.

Source: British Geological Survey

DNI Metal's partnership with CANMET is significant for the Company. Positive recovery results have been achieved on bench-scale samples, but DNI has to start testing on a larger scale to prove that metal extraction from the polymetallic shale can be commercialized. CANMET's involvement in the project is an advantage as it is internationally known for innovation and brings its reputation to a project on mining's new frontier.



PRICE	\$ 0.485
SHARES OUT	63 MM
FULLY DILUTED	79 MM
MARKET CAP	\$ 30.6 MM
52 WK RANGE	\$ 0.74 - 0.12

THE BUCKTON INFERRED RESOURCE

Buckton Inferred Resource Mineralized Shale (tons)	250,092,000							
	MoO3	Ni	U3O8	V2O5	Zn	Cu	Co	Li2CO3
Raw Grade (ppm)	115	148	37	1288	302	76	23	302
Recovery %	50%	90%	90%	40%	90%	60%	90%	50%
Recoverable Grade (ppm)	57	133	33	515	272	46	21	151
Recoverable Grade (lbs/ton)	0.115	0.266	0.066	1.030	0.544	0.091	0.042	0.302
Metal/Oxide Price* (US\$/lb)	21.6	11.1	73	8.1	1.1	3.2	25.3	3
Recoverable metal/oxide (lbs)	28,656,000	66,454,000	16,513,000	257,604,000	136,065,000	22,832,000	10,412,000	75,507,000

*Metal/Oxide commodity prices are the five year average to Aug/2006 used to establish bulk recoverable values for cut-off grade thresholding tests. ton(s)=short ton(s); lb(s)=pound(s); The 2011 drilling included an appropriate number of analytical standards, blanks and duplicates, and no analytical issues were identified. Numbers may not add due to rounding.

REE CONTENT OF THE BUCKTON RESOURCE (NI 43-101 COMPLIANT)

Aggregated REE Summaries (excluding Sc and Th)			
REE-Y-Sc-Th Resource Estimate Supplementary to the Buckton Maiden Inferred Resource			
	HREOY*	LREO**	TREOY***
Raw Grade (ppm)	102	229	320
Recoverable Grade (ppm)	90	161	242
Recoverable Grade (kg/tonne)	0.08	0.16	0.24
Recoverable Grade (lb/ton)	0.16	0.32	0.48
Recoverable Metal Oxide (kg)	18,323,704	36,561,924	54,886,628
Recoverable Metal Oxide (lb)	40,312,149	80,436,233	120,748,382

*HREOY (Total Heavy Rare Earth Oxides) = the aggregate of Y2O3, Eu2O3, Gd2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3 and Lu2O3; **LREO (Total Light Rare Earth Oxides) = the aggregate of La2O3, Ce2O3, Pr2O3, Nd2O3, Sm2O3. ***TREOY (Total Rare Earth Oxides) = HREOY plus: La2O3, Ce2O3, Pr2O3, Nd2O3 and Sm2O3; Figures may not add up exactly due to rounding; Sc and Th are excluded from totals tabulated.

REE GRADE OF OVERBURDEN ROCKS

Overburden Cover Rocks - REE-Y, Sc and Li - Average Grade of All Drill Intercepts*									
	La2O3	Ce2O3	Pr2O3	Nd2O3	Sm2O3	Eu2O3	Gd2O3	Tb2O3	Dy2O3
Raw Grade (ppm)	45	82	9	35	6	2	6	1	5
Raw Grade (lb/ton)	0.091	0.164	0.019	0.070	0.013	0.003	0.011	0.002	0.010
	Ho2O3	Er2O3	Tm2O3	Yb2O3	Lu2O3	Y2O3	Sc2O3	ThO2	Li2CO3
Raw Grade (ppm)	na	3	na	3	na	37	22	na	379
Raw Grade (lb/ton)	na	0.006	na	0.007	na	0.075	0.043	na	0.76
	HREOY	LREO	TREOY						
Raw Grade (ppm)	57	178	235						
Raw Grade (lb/ton)	0.11	0.36	0.47						

*See press release Dec/2011 for detailed underlying data; na = no data available; HREOY (Total Heavy Rare Earth Oxides) = the aggregate of Y2O3, Eu2O3, Gd2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3 and Lu2O3; LREO (Total Light Rare Earth Oxides) = the aggregate of La2O3, Ce2O3, Pr2O3, Nd2O3, Sm2O3. TREOY (Total Rare Earth Oxides) = HREOY plus: La2O3, Ce2O3, Pr2O3, Nd2O3 and Sm2O3; Figures may not add up exactly due to rounding.

Source: Company Filings



SECUTOR

CAPITAL MANAGEMENT CORP

The information contained in this report was obtained from sources we believe to be reliable at the time obtained but neither Secutor Capital Management Corp nor its employees, agents, or information suppliers can guarantee that such information is accurate or complete and it should not be relied on as such.

Any opinions expressed herein reflect our judgement at this date and are subject to change. This commentary is based on information that is believed to be accurate at the time of writing and is subject to change. All opinions and estimates contained in this report constitute Secutor Capital Management Corp's judgement as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Interest rates, market conditions and other investment factors are subject to change. Past performance may not be repeated.

Secutor Capital Management Corp and/or employees from time to time may hold shares, options or warrants on any issue included in this report and may buy or sell such securities.

Secutor Capital Management does and seeks to do business with companies covered in its commentary. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

This commentary is intended for use only in jurisdictions where Secutor Capital Management Corp is registered and is not to be construed as an offer or solicitation to buy or sell any security.

Secutor Capital Management Corp accepts no liability whatsoever for any loss arising from any use or reliance on this commentary or the information contained herein. Any reproduction in whole or in part of this commentary without permission is prohibited.

This commentary is furnished on the bases and understanding that neither Secutor Capital Management Corp nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof.

Member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund.

