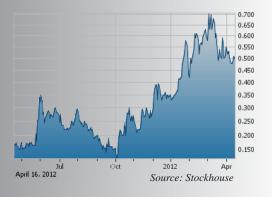


## DNI TEAMS UP WITH CANMET

SECUTOR

CAPITAL MANAGEMENT CORP





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

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 produces 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.

## 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	54,885,628					
Recoverable Metal Oxide (lb)	40,312,149	80,436,233	120,748,382					

\*HREOY (Total Heavy Rare Earth Oxides) = the aggregate of Y203, Eu203, Gd203, Tb203, Dy203, Ho203, Er203, Tm203, Yb203 and Lu203; \*\*LREO (Total Light Rare Earth Oxides) = the aggregate of La203, Ce203, Pr203, Nd203, Sm203. \*\*\*TREOY (Total Rare Earth Oxides) = HREOY plus: La203, Ce203, Pr203, Nd203 and Sm203; Figures may not add up exactly due to rounding; Sc and Thi are excluded from totals tabulated.

## REE GRADE OF OVERBURDEN ROCKS

8	Overburden Cover Rocks - REE-Y,Sc and Li - Average Grade of All Drill Intercepts*								
	La203	Ce2O3	Pr203	Nd2O3	Sm203	Eu203	Gd203	Tb2O3	Dy203
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
	H₀2O3	Er203	Tm203	Yb2O3	Lu203	Y2O3	Sc203	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
							V		2.0.000
	HREOY	LREO	TREOY						
Raw Grade (ppm)	57	178	235						
Raw Grade (lb/ton)	0.11	0.36	0.47			33	0.0		

\*See press release Dec2/2011 for detailed underlying data; na = no data available; HREOY (Total Heavy Rare Earth Oxides) = the aggregate of Y203, Eu203, Gd203, Tb203, Dy203, Ho203, Er203, Tm203, Yb203 and Lu203; LREO (Total Light Rare Earth Oxides) = the aggregate of La203, Ce203, Pr203, Nd203, Sm203. TREOY (Total Rare Earth Oxides) = HREOY plus: La203, Ce203, Pr203, Nd203 and Sm203; Figures may not add up exactly due to rounding.

Source: Company Filings



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