



BLACK IRON FILES RE-SCOPED PRELIMINARY ECONOMIC ASSESSMENT REPORT FOR PHASED BUILD SHOWING POST TAX 36.1% IRR AND NPV OF US\$1.6 BILLION

For Immediate Release

TORONTO, CANADA, December 14, 2017 – Black Iron Inc. (“Black Iron” or the “Company”) (TSX: BKI; OTC: BKIRF) has filed on SEDAR its National Instrument 43-101 Technical Report entitled “Preliminary Economic Assessment of the Re-scoped Shymanivske Iron Ore Deposit” effective November 21, 2017 (the “re-scoped PEA”) for its Shymanivske iron ore project located in Kryvyi Rih, Ukraine (the “Project”).

The re-scoped PEA is based on a two-phased build out of the mine and production plant with the first phase operation producing 4MT per year of ultra high-grade 68% iron concentrate expanding to 8MT per year starting in the fifth year of production. By phasing the build, it significantly reduces the up-front construction costs of the Project thus increasing the projected returns of the Project. The Project is able to exhibit superior projected economics due to its proximity to major infrastructure including, railway, electrical power and a deep-sea port.

A long-term iron ore benchmark price of US\$61.88/t for products containing 62% iron was used in the re-scoped PEA and adjusted using the three-month average trailing spot iron premium of US\$7.21 per 1% Fe above 62% as of November 7, 2017. Based on this pricing, the Project forecasts a pre-tax unlevered IRR of 42.6% and a NPV of US\$2,115 million using a 10% discount rate as seen in the table below. The after-tax unlevered IRR using this price and premium is 36.1% and NPV is US1,662 million.

Matt Simpson, Black Iron’s CEO, commented: “The long-term price used in the re-scoped PEA is lower than the December month to date average price of US\$69.95/t as reported by Metal Bulletin, which as seen in the table below results in significant investor return projections. Further, once debt leverage is added, the projected returns should further increase.”

Pre-Tax IRR and NPV at 10% Discount Rate Sensitivity to Base 62% Fe CFR and %Fe Grade Premium							
62% Fe \$/dmt		Fe Premium (\$/dmt per 1% Fe)					
		\$4.00	\$5.00	\$6.00	\$7.21	\$8.00	\$9.00
\$50.00	IRR	22.2%	26.4%	30.4%	35.2%	38.2%	41.9%
	NPV_{10%}	\$706M	\$977M	\$1,249M	\$1,577 M	\$1,792M	\$2,063M
\$61.88	IRR	30.4%	34.3%	38.1%	42.6%	45.5%	49.1%
	NPV_{10%}	\$1,243M	\$1,515M	\$1,786M	\$2,115M	\$2,329M	\$2,600M
\$70.00	IRR	35.6%	39.4%	43.1%	47.6%	50.4%	53.9%
	NPV_{10%}	\$1,611M	\$1,882M	\$2,153M	\$2,482M	\$2,696M	\$2,967M
\$80.00	IRR	41.9%	45.6%	49.2%	53.5%	56.3%	59.7%
	NPV_{10%}	\$2,063M	\$2,334M	\$2,606M	\$2,934M	\$3,148M	\$3,420M
\$90.00	IRR	48.0%	51.8%	55.1%	59.3%	62.0%	65.4%
	NPV_{10%}	\$2,515M	\$2,787M	\$3,058M	\$3,386M	\$3,601M	\$3,872M

Conditions considered to be extreme (combinations of low and high 62% benchmark price and %Fe grade premium) are highlighted in brown in the above table as they are considered unlikely to occur.

The table below shows the highlights from the re-scoped PEA, which are further elaborated in the detailed technical report filed on www.sedar.com under the Company's profile.

PEA Highlights (all currency is US\$)

IRR (pre-tax unlevered)	42.6%
IRR (after-tax unlevered)	36.1%
NPV at 10% discount (pre-tax unlevered)	\$2.12 billion
NPV at 10% discount (after-tax unlevered)	\$1.66 billion
Projected Years to Payback	2.6 years
Projected Years to Payback	2.9 years
Annual Production Rate: Phase 1	4 Mt
Phase 2	8 Mt
Capital Cost to build: Phase 1	\$435.8 million
Phase 2	\$312.2 million
Long Term Benchmark Iron Ore Price (62% Fe CFR Port in China)	\$61.88 /dmt
Final Product Iron Grade	68% Fe
Black Iron Projected Sale Price FOB Ukraine Port Yuzhny (Including product quality adjustments and net shipping costs)	\$97.19/dmt
Life of Mine FOB OPEX (Includes mining, beneficiation, rail, ship loading and G&A costs)	\$31.46/t
Proposed Initiation of Phase 2 Construction Post Phase 1 Startup	Year 3
Estimated Mine Life (based on in-pit resources)	20 Years

The re-scoped NI 43-101 PEA Report replaces the Company's 2014 bankable feasibility study ("2014 BFS") as the current technical report for the Project. Significant portions of the PEA remain unchanged from the 2014 BFS, including sections relating to geology, exploration, drilling, sampling and data verification, and the mineral resource estimate. Consistent with practice in the industry, this PEA has been prepared with an engineering accuracy of +/-35%. Please see the Company's press release dated November 21, 2017 for a summary of the assumptions used in the re-scoped PEA.

Re-scoped Preliminary Economic Estimate Study Report

The re-scoped PEA has been prepared in accordance with the guidelines of National Instrument 43-101 by the independent firms BBA Inc. and Watts, Griffis and McOuat Limited (with the individual authors identified below) and is effective as of November 21st, 2017. The results of the re-scoped PEA are based on 100% ownership of the Project by Black Iron.

Qualified Persons

The contents of this press release have been reviewed and approved by Qualified Persons, as follows:

- Angelo Grandillo, P. Eng. of BBA Inc. QP for Study Supervisor.
- Jeffrey Cassoff, P.Eng. of BBA Inc. QP for In-Pit Resource estimate and mining engineering.
- Michael Kociumbas, P.Geo. and Rick Risto, P.Geo., Watts, Griffis and McOuat Limited, QPs for mineral resources estimate and QA/QC and data verification;

These persons are Qualified Persons as defined by NI 43-101, are independent of Black Iron, and have authored the technical report in respect of the re-scoped PEA.

Cautionary Statement

The PEA is preliminary in nature, and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.

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Forward-Looking Information

This press release contains forward-looking information. Forward-looking information is based on what management believes to be reasonable assumptions, opinions and estimates of the date such statements are made based on information available to them at that time, including those factors discussed in the section entitled "Risk Factors" in the Company's annual information form for the year ended December 31, 2016 or as may be identified in the Company's public disclosure from time to time, as filed under the Company's profile on SEDAR at www.sedar.com. Forward-looking information may include, but is not limited to, statements with respect to the Project, the mineralization of the Project, the results of the PEA, the realization of the PEA, the expectations of future cash flows, the expected economics forecast, the geo-political climate in Ukraine, the Company's ability to obtain the requisite land rights for the Project and other requisite permits or approvals, and future plans for the Company's development. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; other risks of the mining industry and the risks described in the annual information form of the Company. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.