



Black Iron Year-End Update on Shymanivske Advancement

TORONTO, Dec. 19, 2018 -- Black Iron Inc. ("Black Iron" or the "Company") (TSX: BKI; OTC: BKIRF; FRANKFURT: BIN) continues to advance the Shymanivske Iron Ore Project ("Shymanivske" or the "Project") towards construction. In the second half of this year, the Company hosted a few multibillion-dollar companies at site as part of their due diligence to fund a portion of Project construction in exchange for purchase of the ultra high grade 68% iron content pellet feed iron concentrate expected to be produced. Additionally, several meetings with Ukraine government officials have been held since receiving a proposal from Ukraine's Ministry of Defence to secure the surface rights for a plot of land adjacent to Black Iron's Shymanivske Project for location of the processing plant, tailings and waste rock.

CONSTRUCTION FUNDING AND OFF-TAKE AGREEMENTS ADVANCING

During the summer and fall, interested steel mills and global commodity trading houses visited the Shymanivske Project site as part of their due diligence for investment in Project construction in exchange for long term purchase of Black Iron's pellet feed. Discussion with these groups remains ongoing and Black Iron management anticipates being able to announce its first commercial arrangement early in the new year. Interest from these groups is largely driven by the close proximity of the Project to rail, power, ports and people leading to a scalable project with the second lowest capital intensity and lowest normalized operating costs in the world for an undeveloped pellet feed project according to the CRU Group as press released by the Company on May 2, 2018.

Debt finance discussions with international finance institutions and European based banks, several of which are actively lending to producing iron ore companies in Ukraine, are ongoing. Debt lenders are mainly focused on a company's ability to repay their loan in a downside pricing environment. Since Black Iron is expected to generate substantial free cash flow in a range of downside price scenario's coupled with relatively low amount of debt expected to be required to produce 4MTpa initially, it is an attractive project for lenders.

LAND ACQUISITION ADVANCING

As reported by the Company on September 4, 2018, Black Iron received a proposal from Ukraine's Ministry of Defence ("MOD") to transfer a parcel of land required by the Company for location of its processing plant, waste rock and tailings. Several meetings with high ranking Ukraine government officials including the MOD remain ongoing to finalize the specific parcel of land that is mutually agreeable for transfer.

An offer to lease a portion of the surface rights over which the Shymanivske ore body is located has also been made by the Kryviy Rih City Council who own this land. The signing of a lease is pending Black Iron (i) finalizing discussions with Ukraine's central government on the MOD parcel of land, and (ii) Black Iron finalizing an agreement with a neighbouring mine, Central Ore Processing (YuGOK), on the previously agreed relocation of their mine service garage.

SENIOR MANAGEMENT CHANGES

Black Iron has recently engaged Ivan Markovich in the capacity of Vice President, Government and Community relations given his extensive network of relationships with very senior Ukraine government officials. As part of bringing on Ivan, Black Iron's President Michael Spektor has agreed to resign his position given the overlap in the mandate for this role. Black Iron's management and board of directors thank Mr. Spektor for his contributions and wish him well in his future endeavours.

IRON ORE PRICES CONTINUE TO STRENGTHEN ALREADY IMPRESSIVE PROJECT ECONOMICS

Since publishing the re-scoped Preliminary Economic Assessment ("PEA"), the benchmark 62% iron content fines price remains above the US\$62 per tonne ("T") used in the PEA and is currently at US\$69/T. Similarly, iron grade content premiums remain high with several credible sources reinforcing the structural shift in the market towards higher grade iron ores given they reduce the amount of emissions generated per tonne of steel produced. As can be seen in the picture below taken only a few weeks ago in Beijing, China by Black Iron's CEO Matt Simpson, it is very clear that the Chinese government needs to continue with its regulation changes to curb emissions from steel mills particularly during the winter when there is thick smog in the air mainly due to building heat being primarily produced through the burning of thermal coal.

Very recently, Vale changed its price basis for pellets from the 62% iron content benchmark to a newer 65% iron content index that the Singapore Exchange (SGX) is now offering future's contracts on. This is good news for Black Iron as it further supports the shift globally to higher grade iron feed products and value of its expected ultra-premium 68% iron content product.

About Black Iron

Black Iron is an iron ore exploration and development company, advancing its 100% owned Shymanivske project located in Kryviy Rih, Ukraine. The Shymanivske project contains a NI 43-101 compliant resource estimated to be 646 Mt Measured and Indicated mineral resources, consisting of 355 Mt Measured mineral resources grading 31.6% total iron and 18.8% magnetic iron, and Indicated mineral resources of 290 Mt grading 31.1% total iron and 17.9% magnetic iron, using a cut-off grade of 10% magnetic iron. Additionally, the Shymanivske project contains 188 Mt of Inferred mineral resources grading 30.1% total iron and 18.4% magnetic iron. Full mineral resource details can be found in the NI 43-101 compliant technical report entitled "Preliminary Economic Assessment of the Re-scoped Shymanivske Iron Ore Deposit" effective November 21, 2017 under the Company's profile on SEDAR at www.sedar.com. The Shymanivske project is surrounded by five other operating mines, including ArcelorMittal's iron ore complex. Please visit the Company's website at www.blackiron.com for more information.

The technical and scientific contents of this press release have been prepared under the supervision of and have been reviewed and approved by Matt Simpson, P.Eng., CEO of Black Iron, who is a Qualified Person as defined by NI 43-101.

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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, 2017 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 impact of changes to the Company's management team, the Company's ability to raise the requisite financing, 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.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/9586e98c-1ef6-4e13-8c5f-21ca06cf8d7d>