



## BLACK IRON UPDATE ON PROJECT CONSTRUCTION FINANCING

### For Immediate Release

**TORONTO, CANADA, December 2, 2019** – Black Iron Inc. (“Black Iron” or the “Company”) (TSX: BKI; OTC: BKIRF; Frankfurt: BIN) management continue to make sound progress arranging the financing for Shymanivske project construction, including the receipt of expressions of interest from European banks and export credit agencies to provide US\$250 to 300 million of debt.

Construction of phase one to produce four million tonnes per year of 68% iron content pellet feed is estimated to cost US\$436 million, as further detailed in Black Iron’s most recent Preliminary Economic Assessment. As is typical for financing the development of mining projects, based on discussions with potential investors and financiers, the Company estimates that ~US\$175 million (40%) will be equity and the balance ~US\$261 million (60%) financed as debt, not including financing charges and working capital.

Black Iron’s CEO, Matt Simpson, commented: “It is great to see such strong interest from well known, highly regarded, providers of debt financing for project construction. The indicative interest rates, grace period prior to starting repayment and loan duration in the expressions of interest received by the Company are very competitive. The recent announcement of the MOU between the Company and Ukraine’s government to transfer a critical parcel of land to the Company is an important milestone that both anchor offtake and debt investors have been waiting to see. The Company is currently negotiating binding terms for the land transfer, including the compensation amount, and expect this to conclude following a binding product sale (i.e. offtake) agreement as a portion of the funds invested by the offtake company will be used to cover the land transfer costs. Now that an MOU on land transfer has been reached, we look forward to commercial negotiations for project construction financing being accelerated.”

Majority of the required equity for project construction is anticipated to come from offtake by a large trading company and/or steel mill that is interested to purchase Black Iron’s pellet feed on a long-term contract at a slight discount to market price in exchange for making both a prepayment and acquiring ownership in the Shymanivske project. Several multi-billion companies, including Glencore, as previously announced, are currently conducting due diligence to consider such an investment.

Additionally, there are two Asia based construction companies that have conducted site visits and expressed serious interest to invest up to US\$50 million of equity in kind in exchange for being awarded the construction contract. Equity in kind means these companies will receive shares of Black Iron on a monthly basis over the planned twenty-four-month construction period as partial payment for equipment and services invoiced instead of the full payment being made in cash. This is beneficial to Black Iron shareholders as these shares will only be issued once the balance of construction funding is secured, announced and construction has commenced at which time Black Iron management expects the Company’s share price to be materially higher.

From a sequence standpoint, discussions are being held simultaneously with equity and debt investors as both are ultimately required to fund project construction. It is likely the anchor equity and offtake investor will be announced first followed by completion of an updated feasibility study and environmental impact assessment upon which the debt financing can be secured to allow for construction start around the end of next year.

### **About Black Iron**

Black Iron is an iron ore exploration and development company that holds permits for the Shymanivske project located in Kryviy Rih, Ukraine which is ranked by CRU as lowest cost undeveloped iron ore project globally. The Shymanivske project is located in very close proximity to major infrastructure including railway, power, ports and skilled labour allowing for a relatively quick and low-cost construction. It contains a NI 43-101 compliant mineral resource estimated to be 646 Mt Measured and Indicated mineral resources, consisting of 355 Mt Measured mineral resources grading 32.0% total iron and 19.5% 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 (the "Preliminary Economic Assessment") under the Company's profile on SEDAR at [www.sedar.com](http://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](http://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. Forward-looking information may include, but is not limited to, statements with respect to the Company's ability to develop the Shymanivske project, the mineralization of the Shymanivske project, the expected support from the Ukrainian government, the ability to develop the Shymanivske project, the Company's ability to raise adequate capital, the Company's ability to secure the requisite land rights and the Company's future plans. 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. The Company notes that mineral resources that are not mineral reserves do not have demonstrated economic viability.*