

# Black Iron Progresses Construction Financing and Receives Strong Support From Ukraine's Prime Minister

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TORONTO, September 30, 2019 - [Black Iron Inc.](#) ("Black Iron" or the "Company") (TSX:BKI) reports that senior management met late last week with Ukraine's newly elected Prime Minister and Minister of Economy to discuss the importance of Black Iron's project to Ukraine given the high level of interest from foreign investors to fund construction, large number of new highly skilled jobs that will be created and the substantial investment planned. Both Ministers came to the meeting well briefed on Black Iron, were very pragmatic and stated their strong support plus alignment with other key ministries, including the Ministry of Defence, to implement Black Iron's project. A single point of contact was assigned by the Prime Minister to coordinate Black Iron's Ukraine government support needs including land transfer with all other agencies. This meeting follows recent public statements made by Ukraine's newly elected President Zelensky who strongly supports Black Iron's project being constructed.

Black Iron's management team met with Ukraine's new Minister of Defence on Friday, September 27, 2019 to firm up support to expedite the transfer of essential land for project construction. The Minister stated he agrees to transfer the needed land by Black Iron in exchange for fair and transparent compensation that will primarily be used to purchase apartments direly needed for military personnel. He agreed to sign a Memorandum of Understanding formalizing this commitment prior to end of October 2019 that will be followed by binding contracts at year end.

Last week, Black Iron's CEO also met with the owner of a Middle East steel mill that expressed a serious interest to make a substantial equity investment into the construction of Black Iron's project in exchange for offtake potentially alongside Glencore. This company is planning to construct a direct reduction pellet plant that would benefit from the very short, low cost shipping distance from Ukraine. There are very few global suppliers of direct reduction iron ore given the need to produce a product containing 70% iron with ultra low contaminants which Black Iron expects to produce from its project. Globally respected commodities analysis firm CRU forecasts there will be a 40 million tonne per year shortfall in supply versus needed demand of direction reduction pellet feed over the next fifteen years.

Productive site visits were completed last week with two multibillion Asian construction firms as part of their due diligence to consider investing ~US\$50 million of equity in kind during project construction. Equity in kind means the construction company 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. Black Iron continues to receive expressions of interest to provide debt for project construction and a more detailed announcement outlining the Company's plan to fund project construction with potentially little to no equity from the public markets will soon be provided to investors based on ongoing discussions to date.

## 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 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 "PEA") 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.

#### 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.

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