

Black Iron Progresses Offtake Discussions and Updates PEA

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TORONTO, March 02, 2020 - [Black Iron Inc.](#) ("Black Iron" or the "Company") (TSX: BKI; OTC: BKIRF; FWB:BIN) management continue to make very positive progress in discussions with steel mills and global commodity trading companies that are showing strong interest to fund a meaningful amount of the expected US\$452 million required to construct phase 1 of its Shymanivske iron ore project (the "Project") in exchange for securing offtake rights. The offtake rights entail purchasing up to the full four (4) million tonnes per annum of ultra high grade 68% iron ore planned to be produced in phase 1 at a slight discount to the daily traded benchmark iron ore price, and an equity ownership stake in the Company.

A number of the offtake groups have started discussing and proposing commercial terms and structure for a potential investment, while others continue to do deep analysis and due diligence, including asking for follow up site visits to the Project. While several of these groups are based outside of Asia, there are potential offtake and construction investors based in Asia. Due to the coronavirus outbreak, travel to and from Asia has been limited and thus some of these potential offtake groups have been unable to schedule a site visit at this time. Black Iron's management are highly focused on securing the best deal for shareholders, which entails obtaining the largest amount of investment to fund Project construction for the lowest amount of offtake price discount and Black Iron equity.

As part of the detailed due diligence questions from potential offtake investors, Black Iron has amended the 2017 Preliminary Economic Assessment (PEA) mine model from its National Instrument 43-101 ("NI 43-101") Technical Report entitled "Preliminary Economic Assessment of the Re-scoped Shymanivske Iron Ore Deposit" effective November 21, 2017 (the "2017 PEA"). The update in the mine model has resulted in a slightly revised mine life and strip ratio (amount of waste mined per tonne of mineralized material). This has very little impact on the projected Project economics as seen in the summary table below showing results from the amended PEA in which all figures are reported in United States dollars.

Description	Units	2017 PEA	Amended PEA
IRR (pre-tax)		43%	41%
(after-tax)	(%)	36%	34%
NPV @ 10% discount (pre-tax)		2,115	1,852
(after-tax)	(\$M)	1,662	1,442
Payback period	(Years)	2.6	2.9
Initial Capital Cost	(\$M)	436	452
Operating Cost (mine, process, rail, load boat)	(\$/t conc.)	31.46	32.63
Realized selling price FOB		97	97
Based on CFR China price for 62% Fe (\$/t conc.)		62	62
Month to date actual \$87/T for 62% Fe			
Subset of Resources within open pit	(Mt)	507	411
Mine Life	(Years)	20	17
Strip Ratio		0.6	1.0

The amended NI 43-101 technical report (the "Amended Report") retains the same title and effective date: "Preliminary Economic Assessment of the Re-scoped Shymanivske Iron Ore Deposit" effective November 21, 2017. The Amended Report replaces the 2017 PEA as the current NI 43-101 technical report for the Project. With exception of the updated mine plan and the associated operating, capital and project economics, the remainder of the Amended Report remains unchanged from the 2017 PEA, including sections relating to the mineral resource estimate, processing, infrastructure and environmental management plans. The Amended Report can be found on www.sedar.com under the Company's profile.

Matt Simpson, Black Iron's CEO, commented: "There is strong interest from a number of steel

mills and global commodity trading companies to secure offtake rights in exchange for making a significant percentage of the needed capital towards Project construction. My main goal over the coming months is to secure a large investment from one of these groups to fund construction as doing so is transformative for Black Iron.”

“The increased focus globally to reduce the impacts of climate change is leading to significant steel sector restructuring resulting in a growing demand for higher iron content, low-impurity feedstock that can be pelletized as steel mills strive to lower emissions and boost furnace efficiency. The projected quality of Black Iron’s expected ultra premium 68% iron content pellet feed with low levels of alumina and phosphorus is perfectly positioned to meet this need”, explained Matt Simpson.

The Amended Report 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 November 21, 2017 (same date as 2017 PEA). The results of the PEA are based on 100% ownership of the Shymanivske Project by Black Iron.

Qualified Persons

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

- Angelo Grandillo, P. Eng. of BBA Inc. QP for overall Amended Report supervision.
- 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 geology and QA/QC and data verification.

These persons are Qualified Persons as defined by NI 43-101, are independent of Black Iron, and have reviewed and approved the content of this press release. The Qualified Persons have also reviewed or verified all data including sampling, analytical, and test results underlying the information or opinions contained herein.

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. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

For readers to fully understand the information in this press release, they should read the Amended Report in its entirety which is filed in accordance with NI 43-101 on SEDAR (www.sedar.com) and it will be available soon on the Company’s website, including all qualifications, assumptions and exclusions that relate to the amended PEA. The Amended Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

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 mineral resource prepared in accordance with NI 43-101 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 2017 PEA 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. Forward-looking information may include, but is not limited to, statements with respect to the Company's ability to develop the Project, the results of the amended PEA, the realization of the amended PEA, the expectations of future cash flows, the expected economics forecast, the geo-political climate in Ukraine, 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 and that described in the 2017 PEA and Amended Report. 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.

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