

# Black Iron Offtake, Construction And Land Transfer Update

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TORONTO, October 13, 2020 - As an update on [Black Iron Inc.](#)'s ("Black Iron" or the "Company") (TSX:BKI) formal offtake process that was previously announced, multiple groups participated in the first round resulting in the Company receiving expressions of interest to invest in exchange for securing offtake rights. Offtake allows the investor to secure the rights to purchase Black Iron's initial entire expected annual production of 4 million tonnes of pellet feed at a slight discount to market price, in exchange for making an investment towards construction of the Shymanivske iron ore project (the "Project"). These proposals are currently being reviewed and selected groups will be invited to participate in the second round, which includes access to a more detailed data room and ability to conduct site visits - either virtually or in person - pending travel constraints and personal preferences. Upon completion of the second round early next year, binding submissions to invest and secure offtake rights will be sought. The company looks forward to a successful round two.

Management is very pleased to update that as an additional source of funding for Project construction, a second Heads of Agreement with a construction company that includes an investment package valued at ~US\$60 million has been signed. For clarity, only one of the current two construction companies will be selected to build the Project, and by having this company make a material investment towards Project construction, their interests become fully aligned with existing investors to complete construction on time and budget. Black Iron expects to conclude a binding construction / investment agreement after the offtake investment has been secured.

The land Black Iron requires to locate its processing plant, tailings and waste rock stockpiles is owned by Ukraine's Central Government and is being used by the Ministry of Defense for training purposes. As part of ongoing negotiations for this land transfer, a request for proposal ("RFP") is being issued to engineering firms with expertise in the design of training bases for weapons firing and storage so the current training base's functionality can be maintained. Completion of this engineering design work is a critical step in the negotiation of a compensation package for the land transfer to occur, which also entails the construction of several apartment buildings for service men and women. An allocation for these costs has been included within the Company's Preliminary Economic Assessment's estimated US\$452 million total construction cost estimate for the entire Shymanivske Project.

Further updates on the results of these processes will be announced as continued progress is made.

## 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 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 financial viability of the Project, the Company's ability to obtain adequate financing, including offtake financing, the Company's ability to acquire the requisite land for Project construction, the Company's ability to develop the Shymanivske project, the ceasefire of conflict in Ukraine 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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