

Black Iron Makes Significant Advancements Towards Construction of Shymanivske

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TORONTO, March 12, 2018 (GLOBE NEWSWIRE) -- [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. The Company has made significant progress towards acquiring the surface rights for the land required for construction and is working on securing financing for the Project. The Company has received significant interest from potential off-take partners as a result of the strengthening of the iron ore price, which has increased by more than 25% since the re-scoped Preliminary Economic Assessment ("PEA") was released on November 21, 2017. Land acquisition and the securing of future financing are two of the critical path activities required to advance Shymanivske to construction.

After-Tax NPV10% (US\$M) and IRR (%) Sensitivity Analysis based on 40% Equity and 60% Debt Financing

IRON ORE PRICES CONTINUE TO STRENGTHEN IMPROVING PROJECT IRR TO OVER 50%

Since publishing the re-scoped Preliminary Economic Assessment, benchmark iron ore prices have rallied from US\$62 per tonne ("T") to US\$70/T as of March 9, 2018, an increase of close to 13% resulting in stronger economic returns and significant interest in the Project. Figure 1 provides the Project's projected Net Present Value ("NPV") and Internal Rate of Return ("IRR") based on the current iron ore ("Fe") price and quality adjustments using a 10% discount rate.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/a539abc3-ddb6-4ed2-9fe7-48ee876a637b>

Based on prevailing iron ore prices and adjustments for product quality mainly related to iron content, Black Iron's construction capital is estimated to have an estimated 51% after tax IRR and US\$1.4 billion NPV, assuming 60% debt financing, 10% discount rate and an initial capital cost of US\$436 million. Even under highly pessimistic long-term iron ore prices of US\$50/T, the Project generates IRR's in excess of 20%.

LAND ACQUISITION ADVANCING

Since releasing the revised Project economics, the Company has accelerated its efforts to secure the necessary land surface rights for the mine and plant.

The leases related to three parcels of land that are required to begin construction are currently held within two Ukrainian Government groups. The first parcel of land is held by the Kryviy Rih City Council who have been very supportive. In December 2016, they arranged public hearings on behalf of the Company which were very positive and led to the required permission to conduct a land allotment study on the property. The land allotment study is a detailed report which shows the Kryviy Rih City Council how the Company proposes to use the leased land. Black Iron's team and specialist consultants have completed more than 50% of the land allotment study to date. The second parcel of land is held by Ukraine's Central Government and is currently being used by the Ministry of Defence for training purposes. Multiple discussions have been held, year to date, with high ranking Ukrainian Government officials including the First Deputy Prime Minister and Deputy Minister of Defence of Ukraine, both of whom are supportive of the Project and are now reviewing options for the land transfer. The final parcel of land is held by

Ukraine's State Forestry, who have submitted the required documents for this land to be re-zoned and transferred to the Kryviy Rih City Council, who will in turn, lease the property to the Company.

The acquisition of these land packages will represent a significant milestone in beginning construction of the Project and the Company expects this process to be completed prior to year end.

CONSTRUCTION FUNDING AND OFF-TAKE AGREEMENTS ADVANCING

The Company continues to pursue various financing options for construction of the Project and has received significant interest from multiple groups which are currently conducting due diligence. Interest is driven by the prolific economics of the Project, supported by the low initial capital costs, and the opportunity for financiers to secure access to the ultra high-grade premium iron product that Shymanivske is expected to produce. The ultra high-grade premium 68% Fe product is in the top 4% of the world's current production, is rare and commands a very significant premium. The potential financiers include several multi billion-dollar steel mills, global trading houses and other mining companies. Due diligence is well advanced, in most cases, with on-site visits by these prospective financiers being the next step. In addition, CRU has been commissioned to conduct a detailed marketing study on behalf of Black Iron to identify additional buyers of the ultra premium product who will also be targeted for financing and to potentially secure other off-take agreements.

Obtaining financing for the Project will represent another significant milestone toward the construction of Shymanivske and the Company is pleased with the level of interest it is receiving from potential financiers.

Over the coming months, the Company expects to secure the land leases and formalize financing while also renewing its major infrastructure contracts. Once these milestones have been achieved, the Company will be well positioned to initiate construction.

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.

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.

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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, 2016 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 Company's ability to obtain the requisite land rights for the Project and other requisite permits or approvals, the Company's ability to secure financing for the Project 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.

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