



**BLACK
IRON**

TSX: BKI

A COMPELLING INVESTMENT OPPORTUNITY

Corporate Presentation

2019

DISCLAIMER

Forward Looking Statement



This Presentation contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information is based on what management of Black Iron Inc. (“Black Iron”, “BKI” or the “Company”) 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, 2017 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 results of the Preliminary Economic Assessment (“PEA”) (as defined below), the mineral reserve and resource estimate, any potential resource extension, the future financial or operating performance of the Company, its subsidiaries and its projects, the development of and the anticipated timing with respect to the Shymanivske project, the ability to obtain financing on commercially reasonable terms, the realization of the PEA, expectation of future cash flows, the impact of concerns relating to permitting, regulation, governmental and local community relations, the economic and political situation in Ukraine, and the Company’s objectives and 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”. Estimates underlying the results of the PEA arise from engineering, geological and costing work of BBA Inc. (“BBA”) and Watts, Griffis and McQuat Limited (“WGM”) and the Company. See the PEA for a description of all relevant estimates, assumptions and parameters. 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.

This Presentation does not constitute an offer to sell, or solicitation of an offer to buy, any securities by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information set out herein, and nothing contained herein is, or shall be relied upon, as a promise or representation, whether as to the past or future.

The technical information contained herein is derived from or a summary of the NI 43-101 Compliant Technical Report entitled “Preliminary Economic Assessment of the Rescoped Shymanivske Iron Ore Deposit (Prepared by BBA and WGM, the “PEA”). For additional information, please see the press release filed on www.sedar.com dated November, 2017.

*The mineral resource estimate for the Shymanivske Project is based on results from 185 historical drill holes totaling 37,316 meters and 60 Black Iron drill holes, which were drilled during the Company’s Twin Hole drill program and the Definition Drill program, totaling 16,518 meters and is effective as of September 2012. WGM, Consulting Geologists and Engineers of Toronto, Canada, was retained to audit an in-house mineral resource estimate completed by Black Iron. Mr. Michael Kociumbas, P.Geol, Vice-President of WGM and Mr. Richard Risto, P.Geol, Senior Geological Associate of WGM, were retained by Black Iron as independent technical consultants and are Qualified Persons as defined by NI 43-101 and are responsible for reviewing and approving this mineral resource estimate. The PEA was prepared in accordance with the guidelines of National Instrument 43-101 by the independent firms of BBA and WGM.

*Matt Simpson, President & CEO of Black Iron, a Qualified Person as defined by NI-43-101, has reviewed and approved the scientific and technical information in this Presentation.

BLACK IRON HAS ALL THE KEY FUNDAMENTALS FOR A HIGHLY PROFITABLE COMPANY IN PLACE



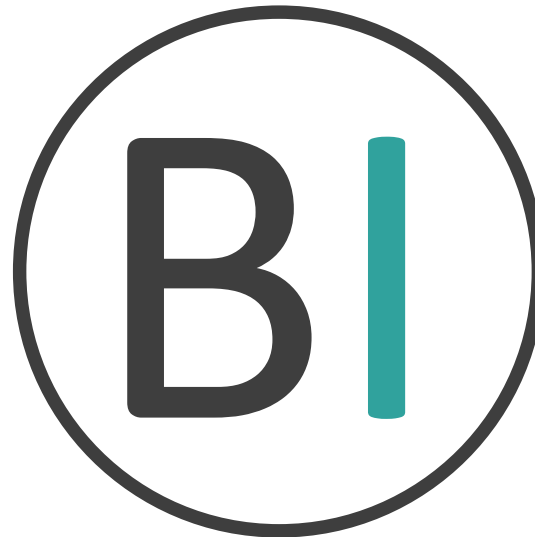
Exceptional Infrastructure

- Rail 2km and power 30km from property with access to 5 ports 230 to 430km from site
- Highly skilled local workforce from city of 750,000 only 8km from site that supports 6 operating mines

Compelling Economics

- Ranked by CRU and Wood Mackenzie as the cost undeveloped pellet feed project globally
- Rescoped Preliminary Economic Assessment
 - Two phased build
 - 4Mtpa to 8Mtpa
 - Using \$62/T Long term price
 - After tax NPV₁₀ of US\$1.7B
 - After tax IRR of 36%

Source: CRU February 2018



Close Proximity to Target Markets

- Kryvyi Rih Ukraine is a major iron ore district close to pellet plants and steel mills located in Turkey, Europe, Asia and Middle East steel mills
- Offtake and investment MOU signed with Glencore for 100% of Phase 1 production

Premium Product with Supply Deficit

- 68% iron content vs. benchmark 62% = less emissions to produce steel
- Very low impurities including Alumina & Phosphorus
- CRU forecast pellet feed supply insufficient to meet demand post 2020

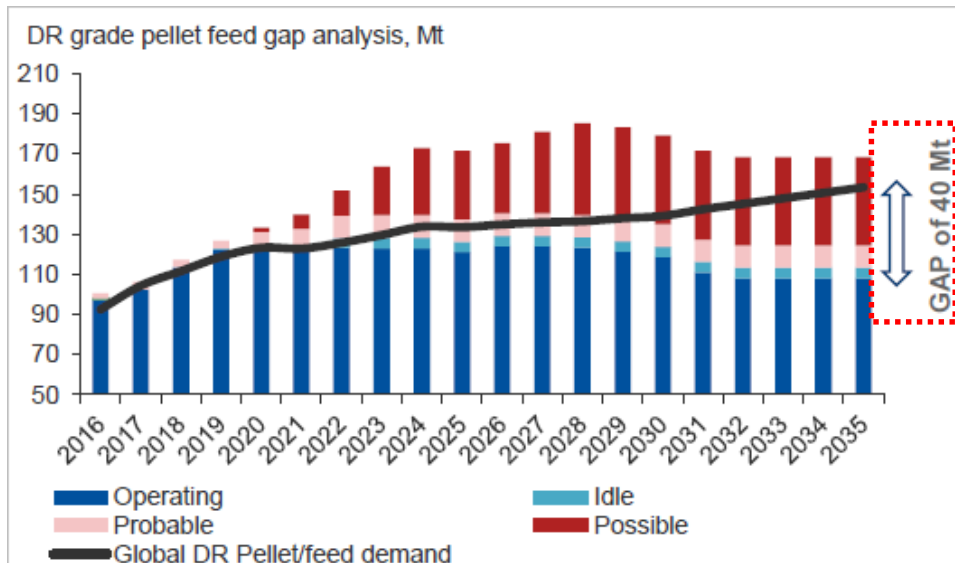
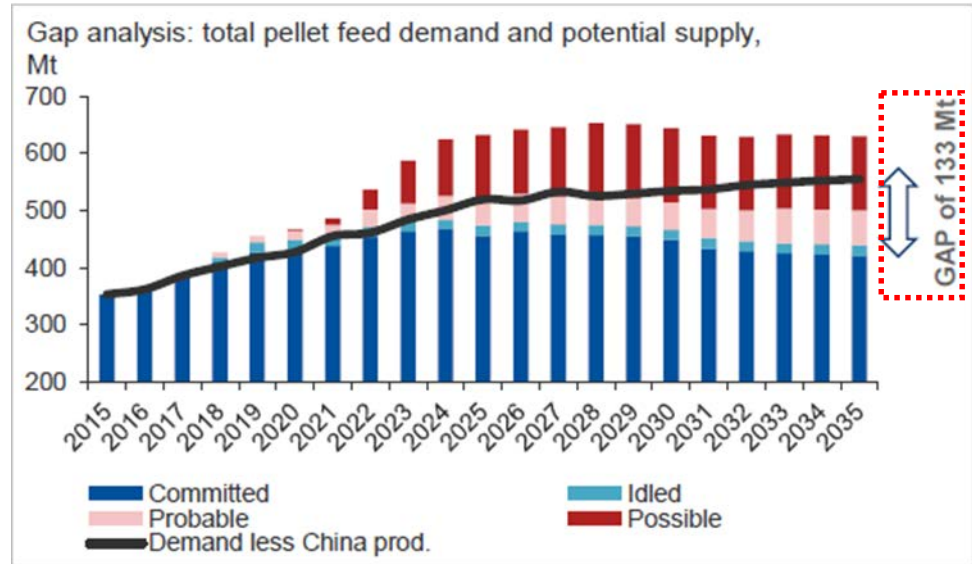
Skilled Leadership

- Significant iron ore mine operations and mine construction experience
- Senior team includes former Ukraine Member of Parliament

MAJOR HIGH-GRADE IRON ORE SUPPLY SHORTFALL FORECAST

Black Iron has a premium 68% iron content pellet feed

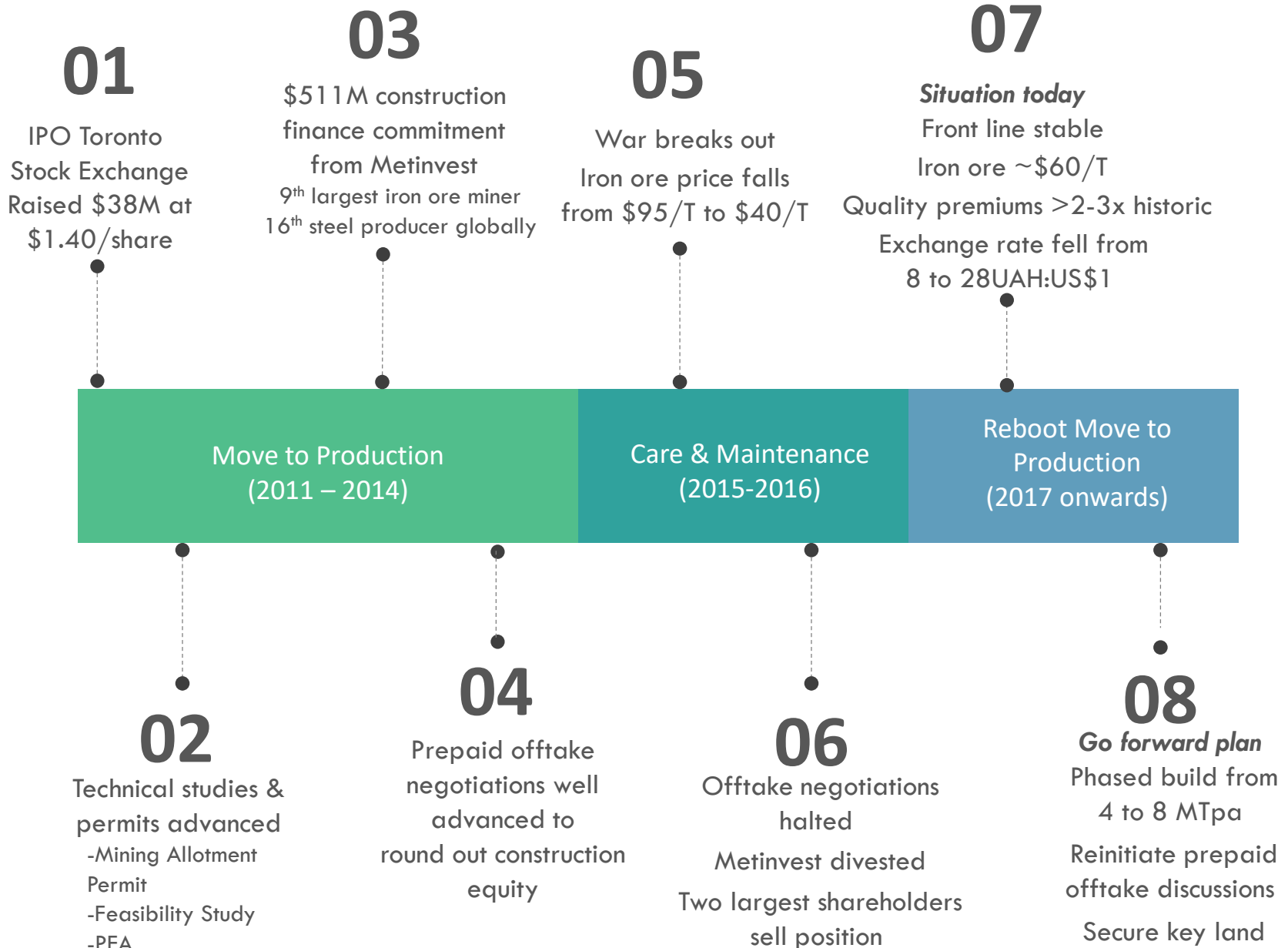
- In the long-run, the market will require new pellet feed projects to be developed to meet forecasted demand
- CRU estimates “gap” between supply and demand starts to emerge in the early 2020s



- DR pellets are primarily produced in plants located very close to Black Iron in the Middle East
- Much lower emissions generated per tonne of steel produced

PROJECT PREVIOUSLY ON BRINK OF CONSTRUCTION

Development history & go forward plan



WHAT SETS BLACK IRON APART?

Ability to Phase Build due to close proximity to rail, power, port and skilled people

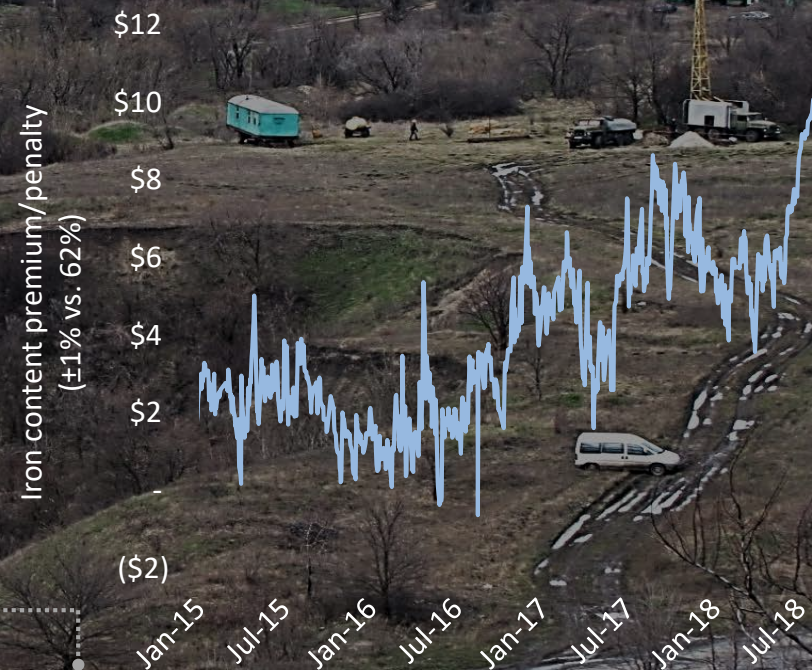
Most new mines are located >100km from rail and/or power lines plus a port resulting need to build >8MTpa plant to be economical

- Rail costs ~US\$3M per kilometre to build
- Powerline costs ~US\$1M per kilometre

- State-owned rail line 2km
- High voltage power tie in 30km
- Paved Road 8km to city of 750k people

Ultra High Grade 68% Product

- Black Iron's 68% iron content product sells for ~\$20-40/T premium
- Price premium rising due to environmental consciousness primarily in China

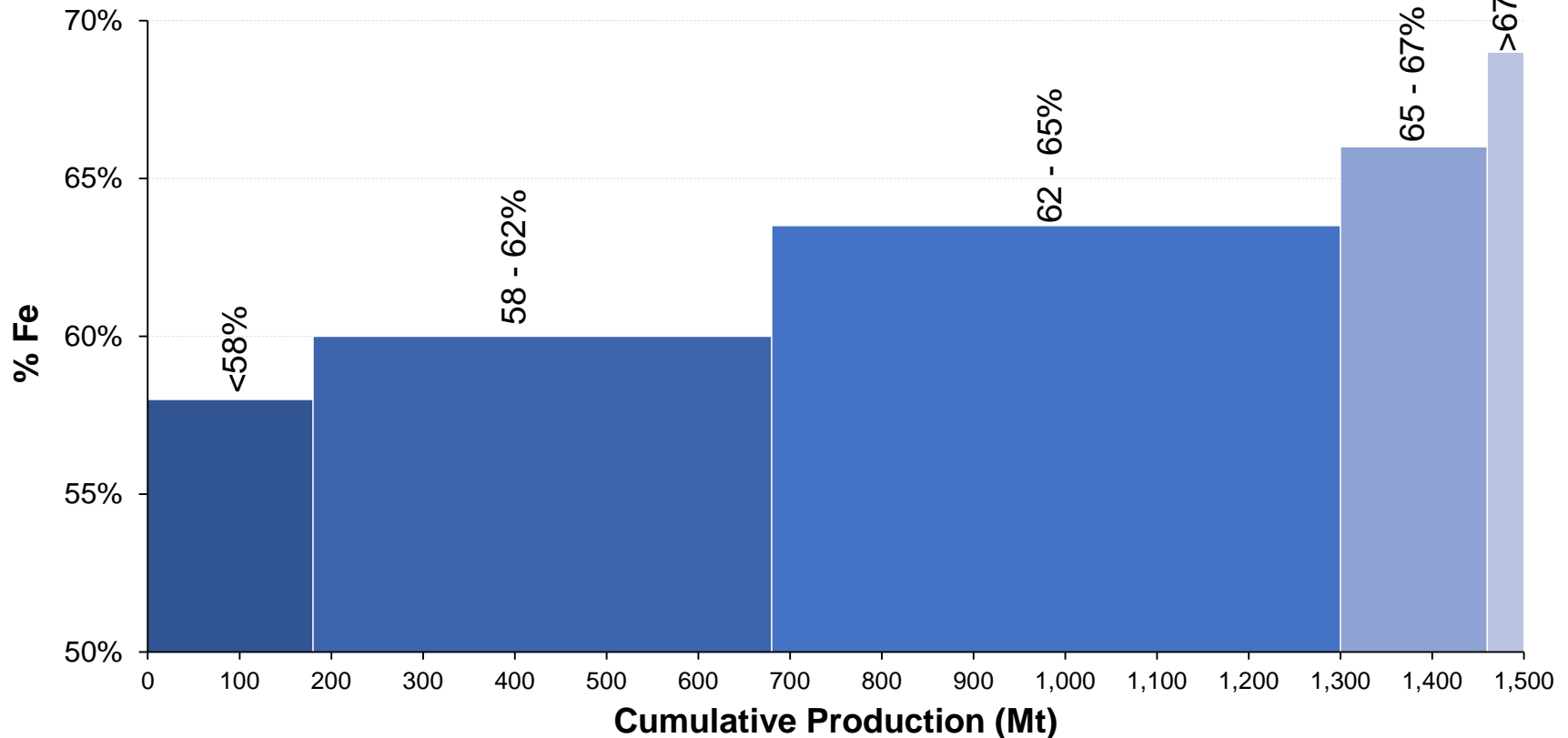


68% GRADE PRODUCT IS ULTRA PREMIUM



Black Iron's 68% product is top 4%

Seaborne Iron Ore Product by Grade



Data source: CRU 2017

Benefits of higher iron grade products include:

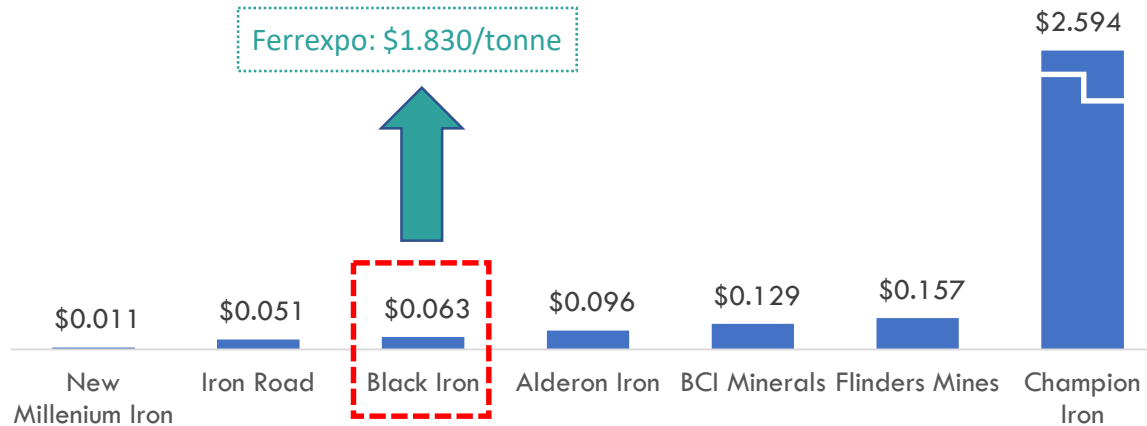
- Less emissions generated per tonne of steel produced = environmentally friendly
- Increased steel blast furnace productivity = lower cost to produce steel

SIGNIFICANTLY UNDERVALUED VS PEER DEVELOPERS

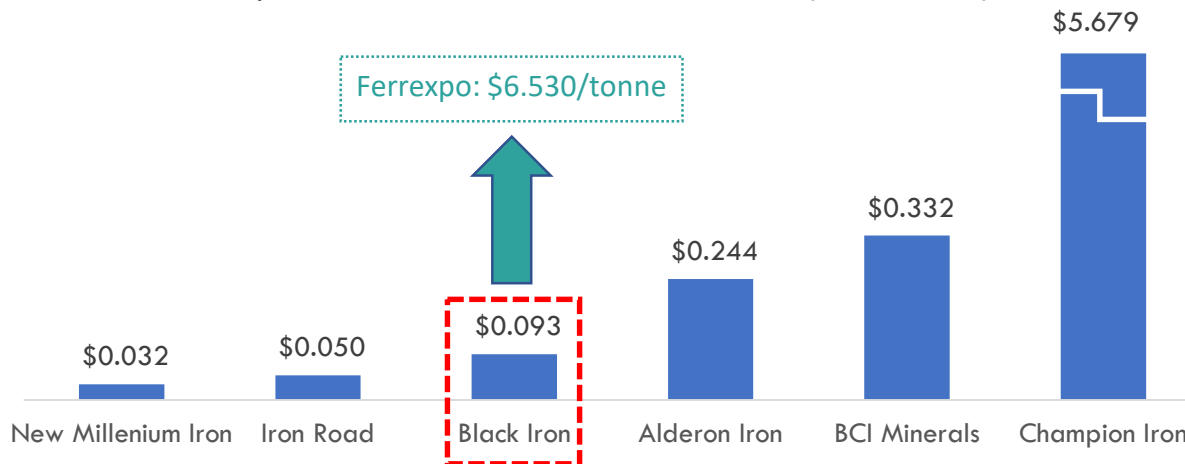
Ferrexpo is a good indicator of share price potential




Enterprise Value / Contained M&I Fe (US\$/tonne)



Enterprise Value / Contained Reserves Fe (US\$/tonne)



 **FERREXPO**
Ferrexpo is an iron ore pellet producer with mines in Ukraine and global sales. They have been mining, processing and selling high quality iron ore pellets to the global steel industry for 40 years.

SOUND CAPITAL STRUCTURE

Attractive Valuation with Substantial Upside & Funding Support



Capital Structure (TSX: BKI)

Shares Outstanding	186.3 million
Stock Options	9.8 million
DSU	5.1 million
Warrants	13.4 million
Fully Diluted Shares	214.5 million
Market Cap ¹	\$16.8 million
¹ As of August 28 th , 2019	

Pre 2015 Analyst Coverage



MANAGEMENT & BOARD HAVE TRACK RECORD OF IRON ORE SUCCESS



Key Management

Matt Simpson – CEO

- Former General Manager, Mining for Rio Tinto’s Iron Ore Company of Canada
- Worked for Hatch designing global metallurgical refineries

Les Kwasik – COO

- Over 40 years of hands-on experience building and operating mines globally with companies such as with INCO (VALE) and Xstrata

Paul Bozoki – CFO

- Former CFO of CD Capital Partners, operating in Ukraine

Bill Hart – Senior Vice President Corporate Development

- 30 years experience selling iron ore while working for Rio Tinto, Cliffs Natural Resources and most recently Roy Hill Holdings Ltd.

Ivan Markovich– VP Gov’t & Community Relations

- Extensive network of relationships with senior Ukraine Government officials

Board of Directors

Bruce Humphrey – Chairman

- Former Chairman of Consolidated Thompson Iron Ore and Chief Operating Officer of Goldcorp

Pierre Pettigrew

- Former Canadian Minister for Foreign Affairs and international Trade

John Detmold

- Chairman & Founder of Invecture Group, S.A. de C.V. which owns Frontera Copper Corporation

Dave Porter

- Former VP for Rio Tinto’s Iron Ore Company of Canada and COO of Algoma Steel

Matt Simpson – CEO

BUSINESS CONDITIONS IMPROVING IN UKRAINE

Economy improving following geo-political and economic turbulence

Fitch Sovereign Risk rating of B- (stable)

- Commodity driven economy (agriculture, mining)
 - 60% of total exports are commodity-related
 - Steel production historically Ukraine's largest industry

Signed the "Ukraine-European Union Association Agreement" in June 2014

- Demonstrates strong desire for closer European integration

Large, highly skilled labour force (pop. 45.4 million)

- GDP per capita only US\$2460/yr = annual average salary for 2017
- Literacy rate >99%

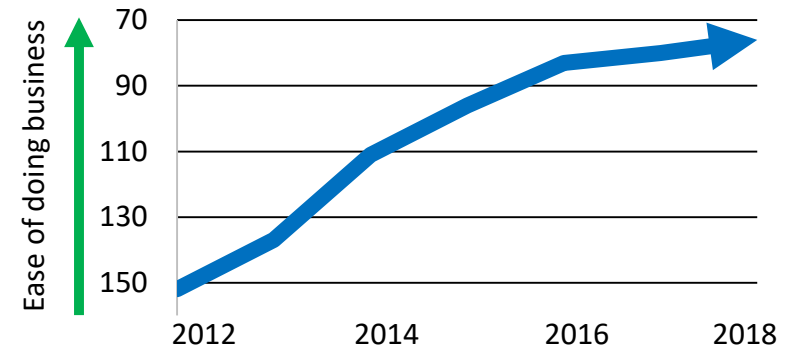
Mining friendly jurisdiction with strong local and national support

- LSE listed ArcelorMittal and Ferrexpo plc have operated in-country for over 12 years

Competitive corporate tax rate of 18% (~50% other major iron ore producing countries)

World Bank: Ease of Doing Business Rank

Rank out of 190 countries, the lower the rank the easier to do business



Recent examples of major iron ore foreign direct investments

METINVEST - April 2018

Refinanced **US\$2.3 billion** of debt, consisting of two tranches of bonds and amendment of pre-export finance facility

www.metinvestholding.com/en/press/news/show/7513



ArcelorMittal - July & December 2017

Announced commitment to invest **US\$1.1 billion** into modernizing Ukraine iron ore mine and steel mill

www.reuters.com/article/ukraine-arcelormittal-ebird/ebird-loans-350-mln-to-arcelormittals-ukraine-mill-idUSL8N1OM3GE



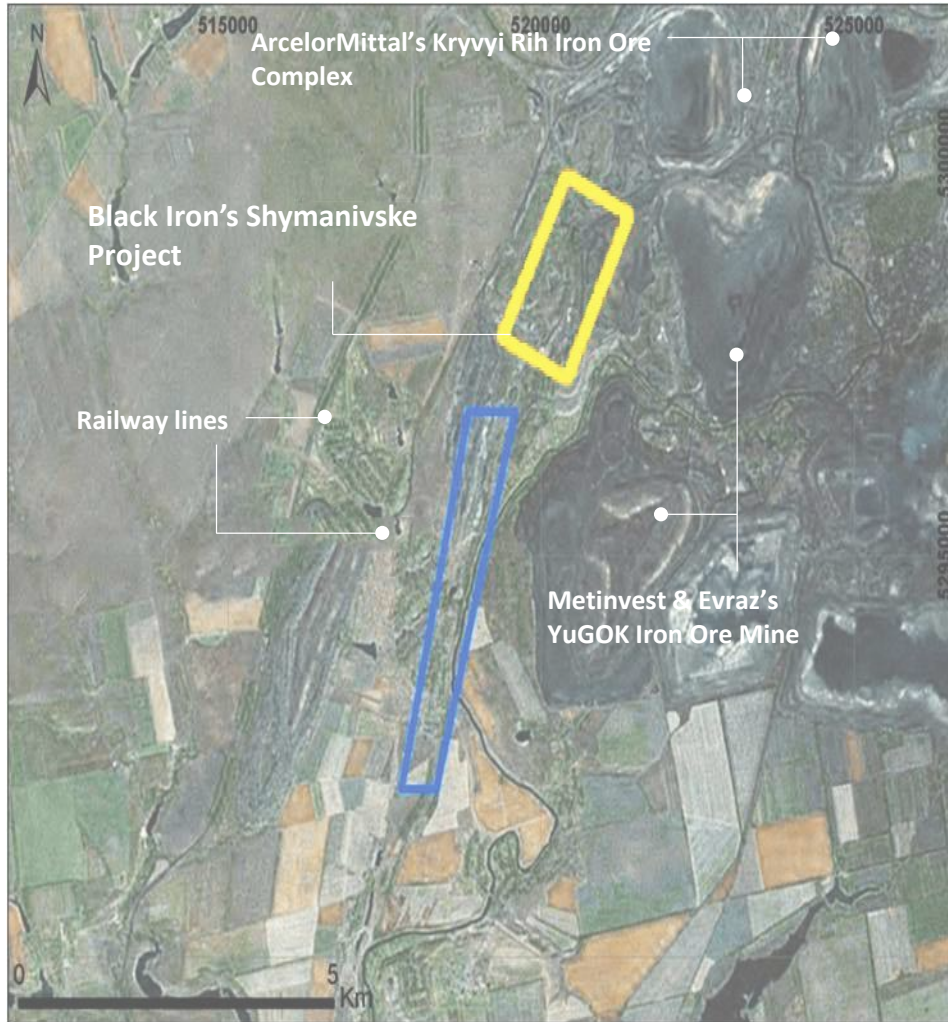
PROJECT HIGHLIGHTS



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DEPOSIT IN MINING FRIENDLY REGION

Adjacent to Five Existing Iron Ore Producers, Rail and Power lines



- Mining permit at Shymanivske covering 2.56km² valid until 2024
 - ↳ Renewable in 20 year increments
- Adjacent to ArcelorMittal's iron ore mine & steel mill and Metinvest/ Evraz's YuGOK iron ore mine
- Plan to acquire a plot of land from Ukraine's Government adjacent to the Shymanivske deposit for the project's waste dumps, concentrator and tailings.
 - ↳ Several discussions recently held with Ministry of Defence who currently utilize this land for training

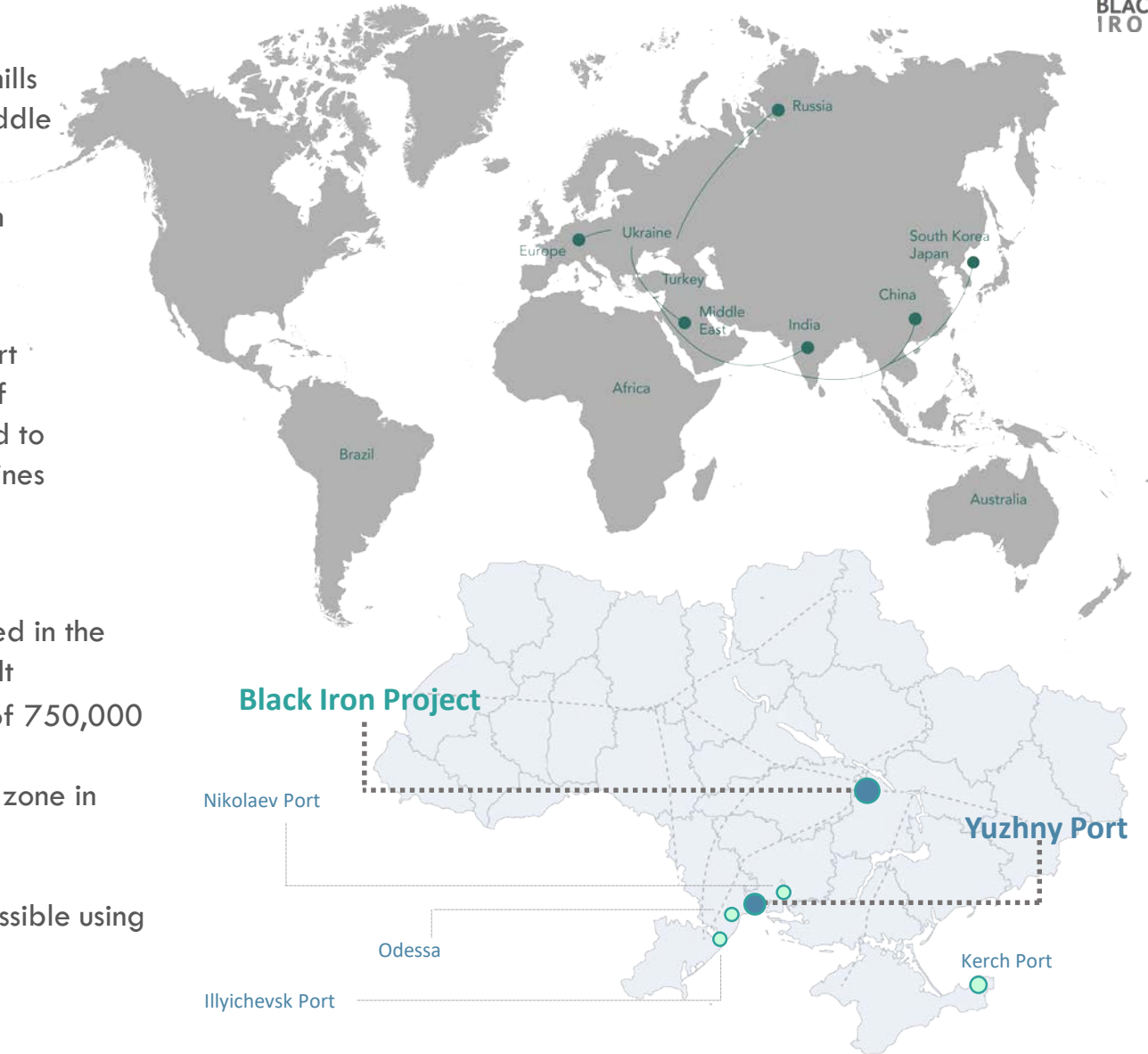
See Black Iron's website at www.blackiron.com for a video showing the project locations and close proximity of rail and power infrastructure

STRATEGIC GLOBAL LOCATION

Close Proximity to Target Markets with Abundant Port and Rail Access



- Project surrounded by steel mills in Europe, Turkey and the Middle East
- Iron ore district trends 300km with sedimentary rock hosted banded iron formations
- 20% to 25% shorter transport distance to growth markets of India and China as compared to North and South American mines
- Black Iron's projects are located in the heart of Ukraine's iron ore belt
 - 8km from Kryvyi Rih, city of 750,000 people
 - 450km away from conflict zone in eastern part of Ukraine
- Four bulk tonnage ports accessible using railway beside property



LARGE ORE DEPOSIT WITH GROWTH POTENTIAL



Total defined mineral resources

Shymanivske	Tonnage (Mt)	Fe Tot (%)	Fe Mag (%)
Measured	355	32.0	19.5
Indicated	290	31.1	17.9
Total M&I Resources*	646	31.6	18.8
Inferred	188	30.1	18.4

In-pit mineable mineral resources

Shymanivske	Tonnage (Mt)	Fe Tot (%)	Fe Mag (%)
Measured	340	31.3	19.2
Indicated	140	31.1	18.8
Total M&I Resources*	480	31.2	19.0
Inferred	27	31.2	19.6

- Banded iron formation consisting primarily of magnetite with some hematite
 - Iron band thickness ranges from 40-80M
 - Only 9.7-21.2m of overburden with a strip ratio of 0.6:1 life of mine
 - Very clean ore body low in phosphorus, manganese and aluminum

- Resource defined by ~54,000m of drilling

- Potential for resource expansion at north end of deposit and at depth

Tonnage and grade rounded to first decimals. Cut-off grade of 10% Fe Mag

*Resources are not Reserves and do not have economic viability

2017 UPDATED ECONOMIC STUDY HIGHLIGHTS

High Value, Low Cost Iron Ore Development Project



Annual Production:		Phase 1: 4Mt Phase 2: 8Mt
Iron Content:		68.0%
Estimated Capital Investment: (capital intensity, includes 17% contingency)		Phase 1: US\$436 million Phase 2: US\$312 million
Estimated Operating Expenses: (average FOB)		US\$31/t
Long-Term CFR China Benchmark Price (62% iron):		US\$62/t
Estimated Realized Selling Price (68% iron FOB port Yuzhney)		US\$97/t
Net Present Value (10% discount rate unlevered):	(pre-tax) (after-tax)	US\$2.1 billion US\$1.7 billion
Internal Rate of Return (unlevered):	(pre-tax) (after-tax)	43% 36%
Annual Average Free Cash Flow:	(pre-tax) (after-tax)	US\$384 million US\$320 million
Projected Payback (8%):	(pre-tax) (after-tax)	2.6 years 2.9 years
Estimated Mine Life:		20 years
Exchange Rate		28UAH:US\$1

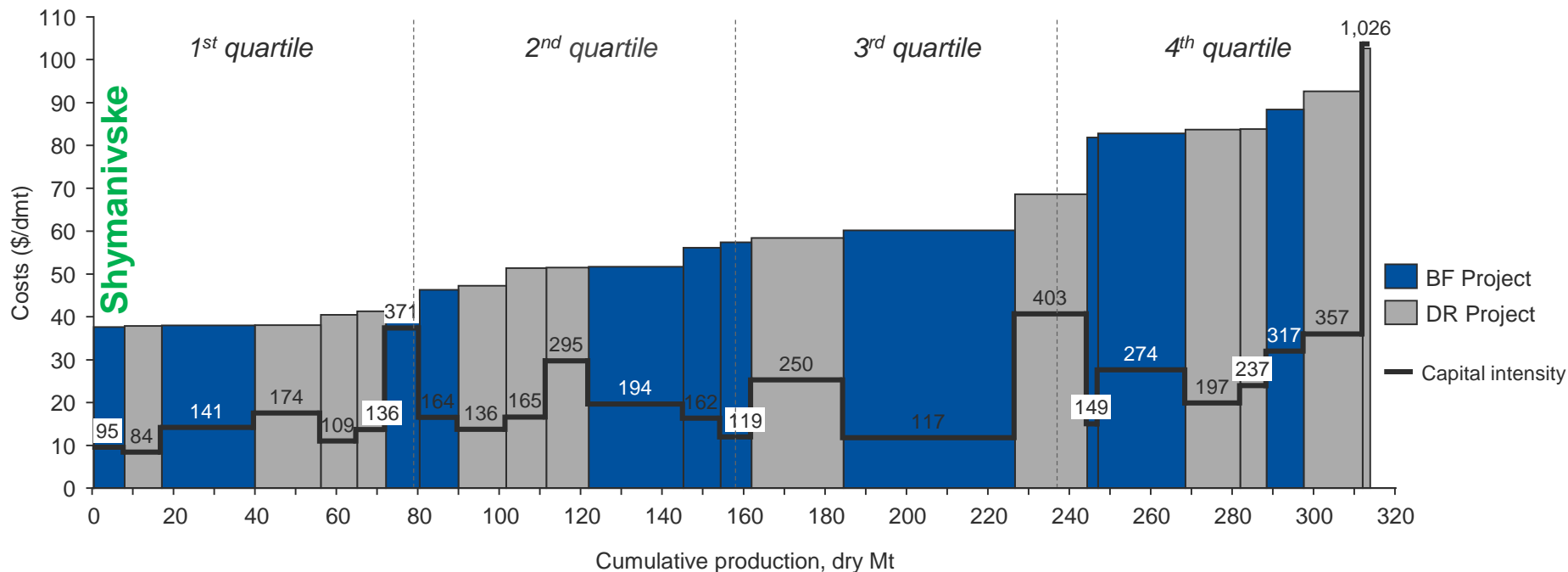
* Preliminary Economic Assessment completed by BBA in November 2017

BLACK IRON'S RANK AGAINST OTHER DEVELOPMENT PROJECTS

Shymanivske ranked lowest on the business cost curve for pellet feed development projects



Pellet feed project Business Costs, delivered China, 2030 (real 2016)



- Business costs include site costs (i.e. FOB opex) plus freight, marketing, finance, value in use adjustments and sustaining capital. Site costs were taken from Black Iron’s Nov. 2017 PEA and all other costs were estimated by CRU to ensure consistency across the curve
- The calculation for capital intensity (black line above) represents the capital cost of the project divided by the number of tonnes produced in each individual year. For Black Iron, we assess the capital intensity to be \$95/annual tonne. This is the second lowest capital intensity figure for the pellet feed projects above.

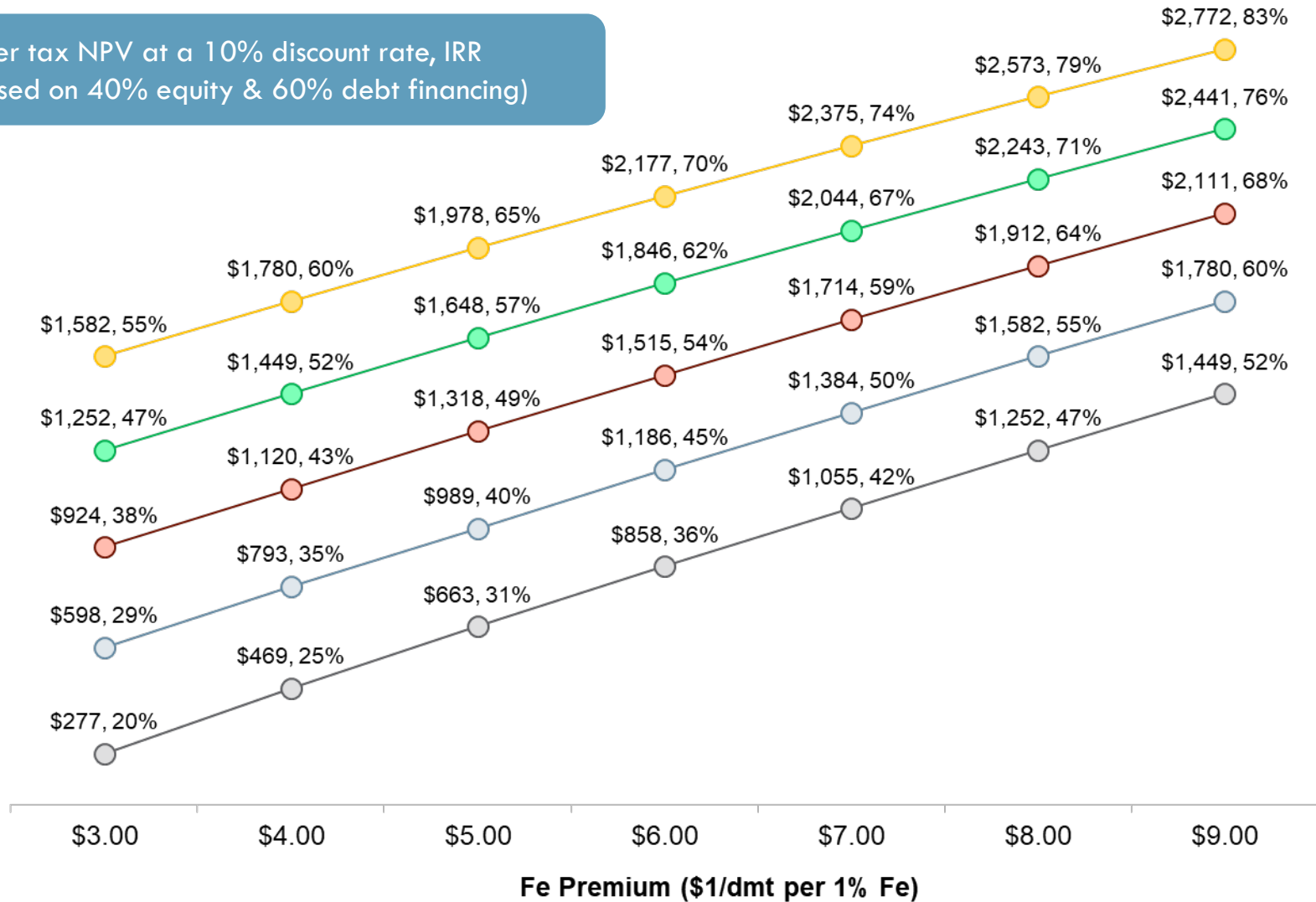
Note: This cost curve includes Business Costs only. The cost values shown have been normalised to a 62% Fe fines product (CFR China) in order to allow for comparison. The curve shows traded pellet feed volumes only.

STRONG INVESTMENT RETURNS IN ALL PRICE SCENARIOS

Low operating & capital costs to ride all market cycles



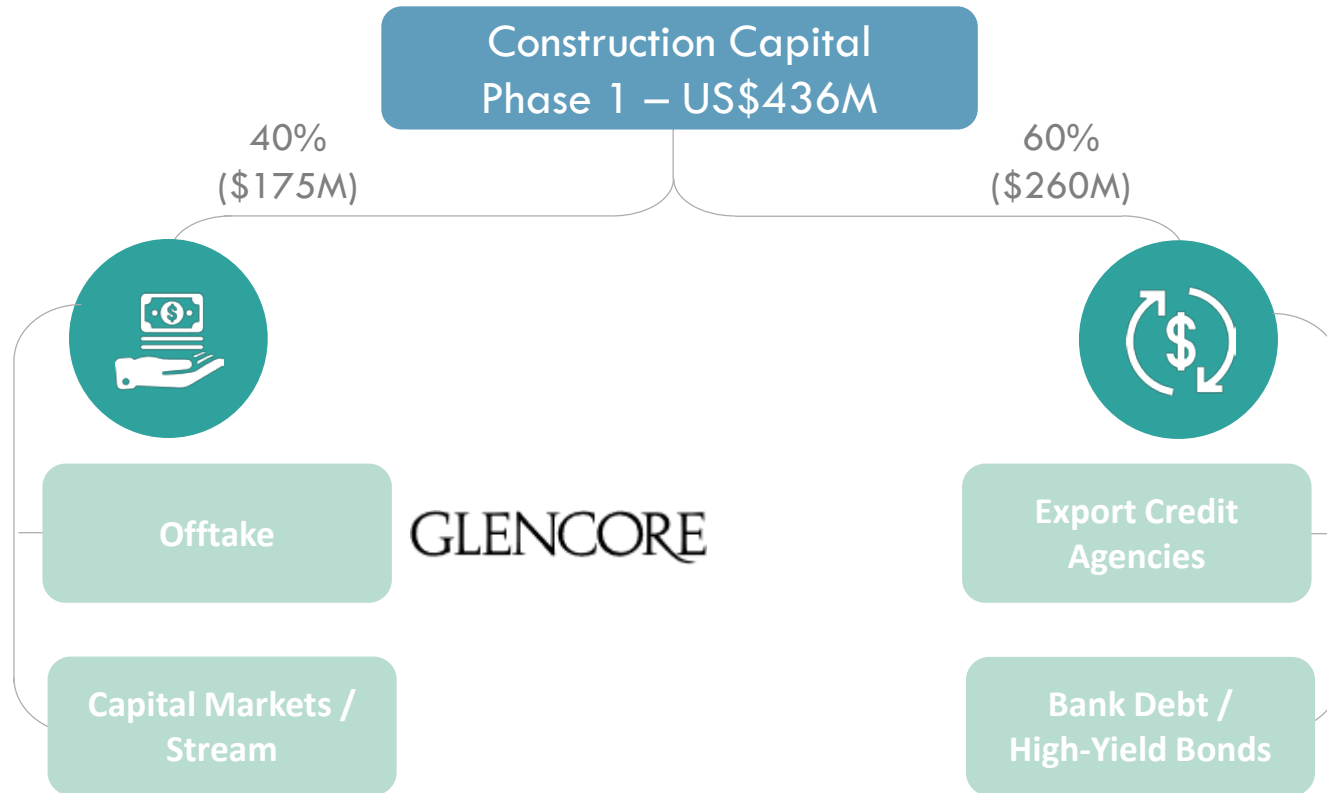
After tax NPV at a 10% discount rate, IRR
(Based on 40% equity & 60% debt financing)



Benchmark 62% Fe CFR Price: —○— \$50 —○— \$60 —○— \$70 —○— \$80 —○— \$90

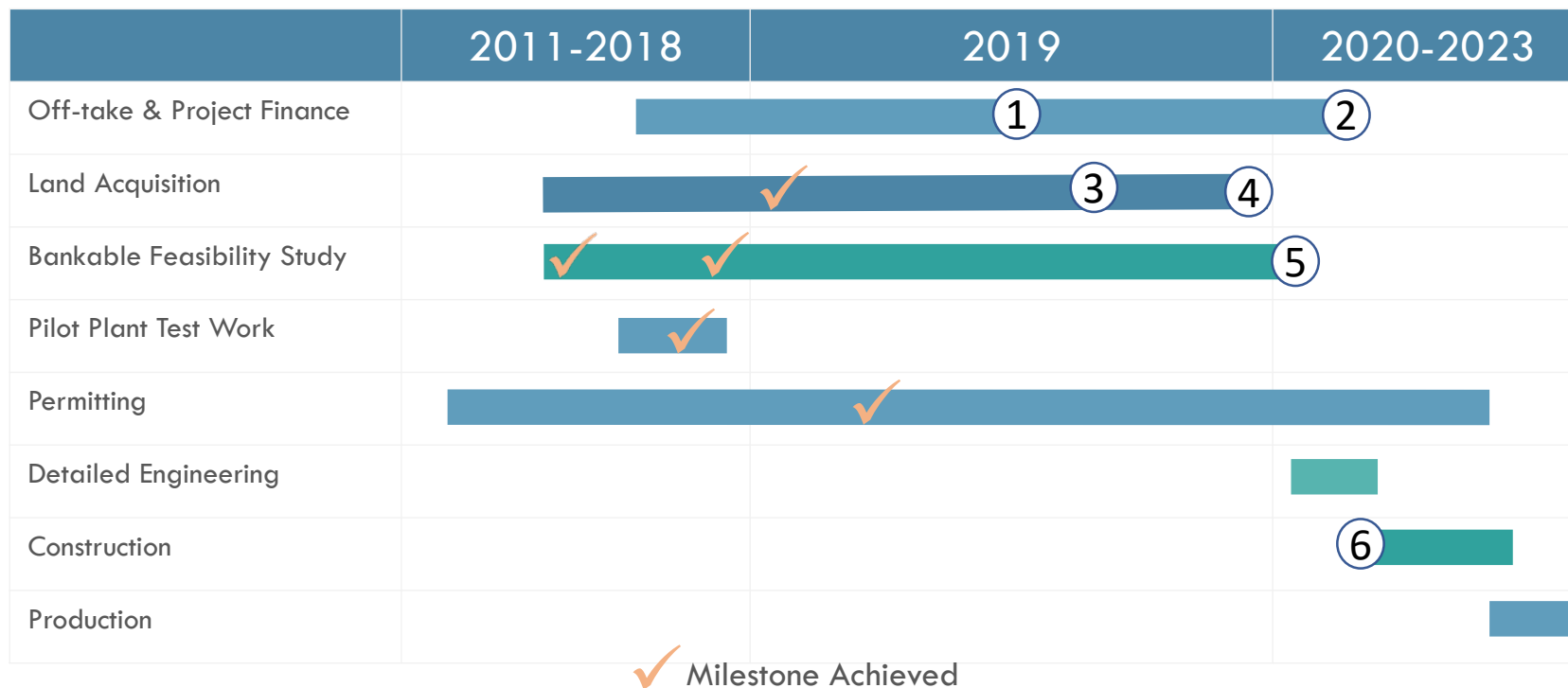
BLACK IRON'S TARGET CAPITAL FUNDING STRATEGY

- Black Iron is currently in discussion with strategic equity partner(s) that will contribute to financing construction of the mine in return for offtake of the annual production
- MOU for offtake and equity investment agreement for first 4MTpa production signed with Glencore



Expansion to 8MTpa for US\$312M can be self-funded using free cash flow generated in phase 1

SHYMANIVSKE PROJECT DEVELOPMENT TIMELINE & CATALYSTS



Several catalysts over the next 12 Months

1. Finalize pre-paid offtake and equity for construction financing contract
2. Secure debt for construction
3. Secure surface rights for ore body
4. Secure surface rights for plant, Tailings and waste rock
5. Complete revised feasibility study
6. Start Construction

BLACK IRON VALUE PROPOSITION



Skilled Leadership

Experienced management team and board with history of creating value for shareholders of RioTinto and Consolidated Thompson



Exceptional Infrastructure = Scalable Build

Excellent access to skilled labour, power, rail & ports = relatively low capital construction cost & ability to build in smaller phases



Sizable Resource

Large iron ore deposit with NI 43-101 compliant mineral resource*

- 646MT Measured & Indicated mineral resource @ 31.6% iron; additional 188MT of Inferred mineral resource @ 30.1% iron, which will be concentrated to ~68% iron
- Potential for resource expansion



Close to Target Markets

Close to steel mills located in: W.Europe, Turkey, Russia, Asia & Middle East with ability to produce ultra-high grade & priced DR product



Compelling Economics for Highly Sought After Product

High margins due to close proximity to multiple steel mills, skilled labour cost advantage and ultra-high grade 68% iron content product

- Preliminary Economic Assessment to product 8MTpa of high-grade 68% iron ore concentrate – after tax unlevered NPV of US\$1.7 billion and 36% IRR
- CRU estimates 130MT shortfall for pellet feed

*Please see notes on page 2

- Resources are not Reserves and do not have economic viability

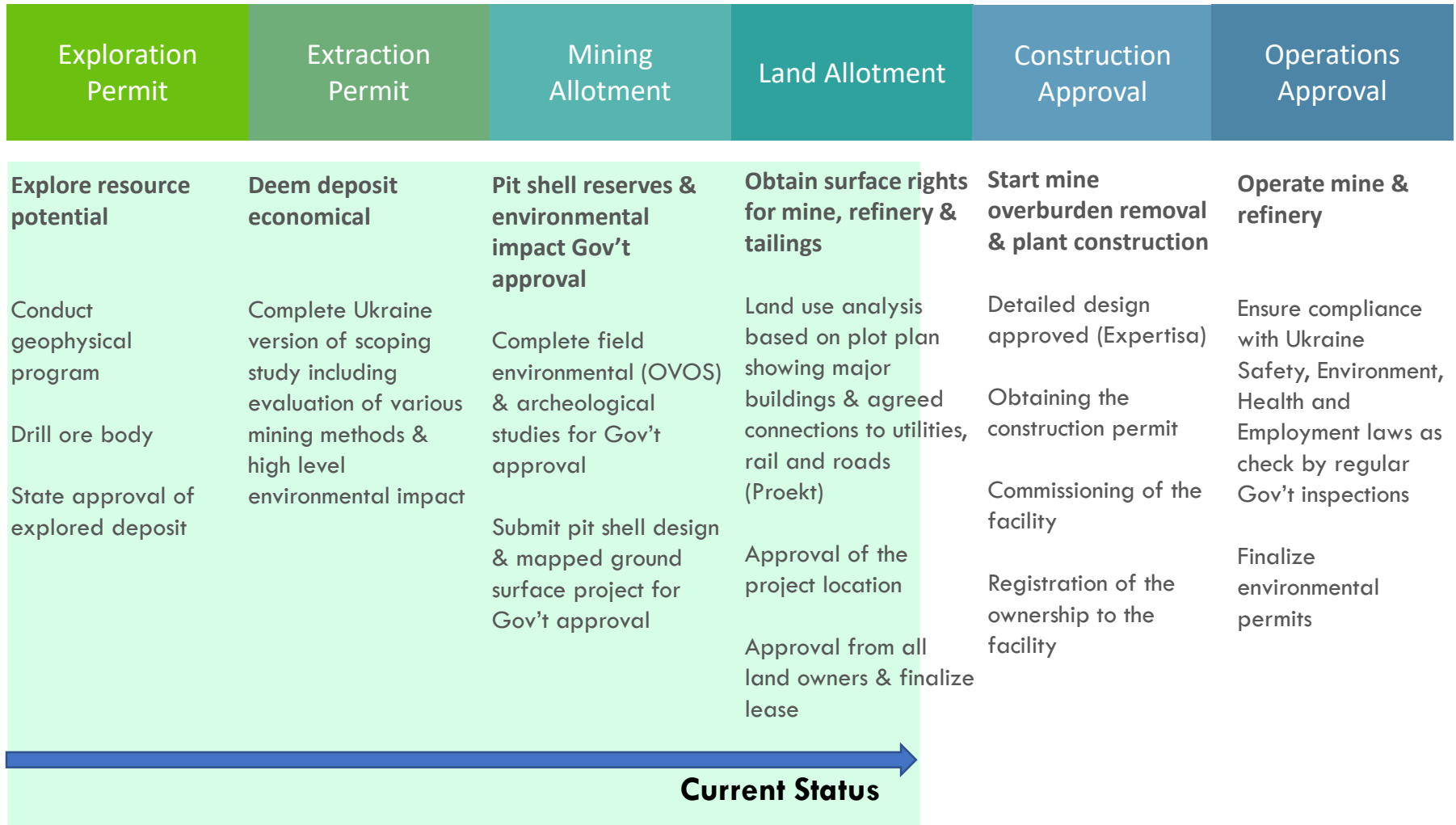


APPENDIX



PERMIT PROCESS FOR SHYMANIVSKE DEPOSIT

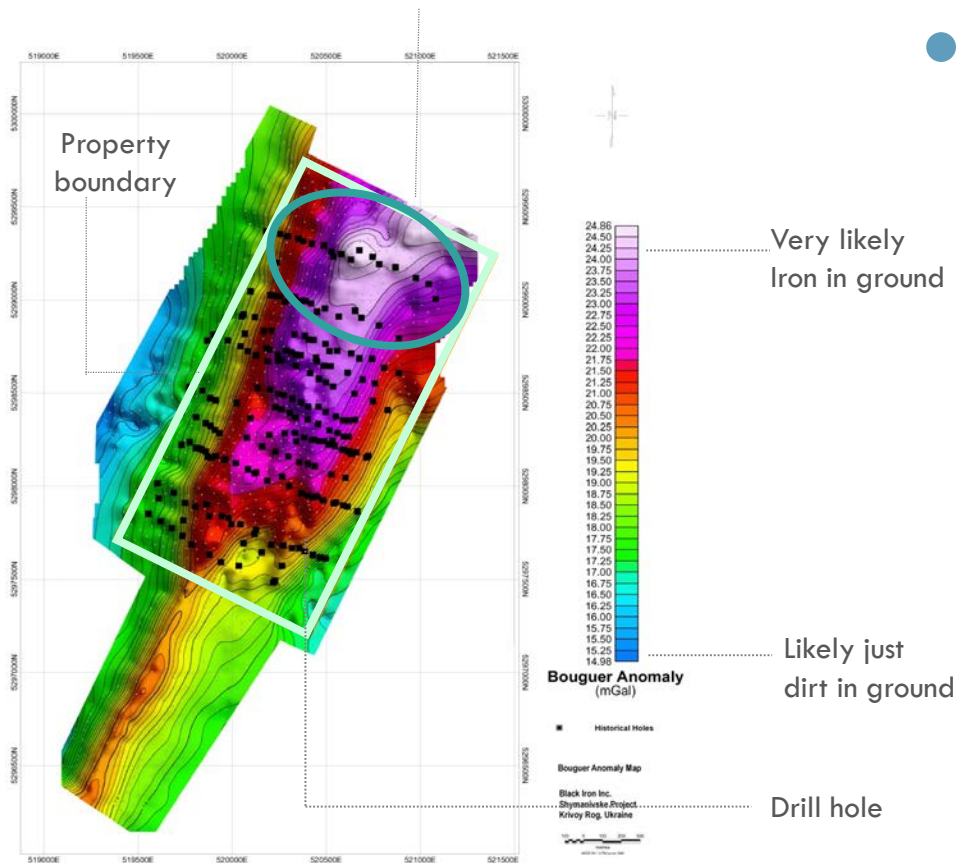
Black Iron Remains on Track



POTENTIAL RESOURCE EXTENSION AT SHYMANIVSKE

Ground Gravity Shows Iron Ore Mineralization at North End

Potential resource
upside to be drilled

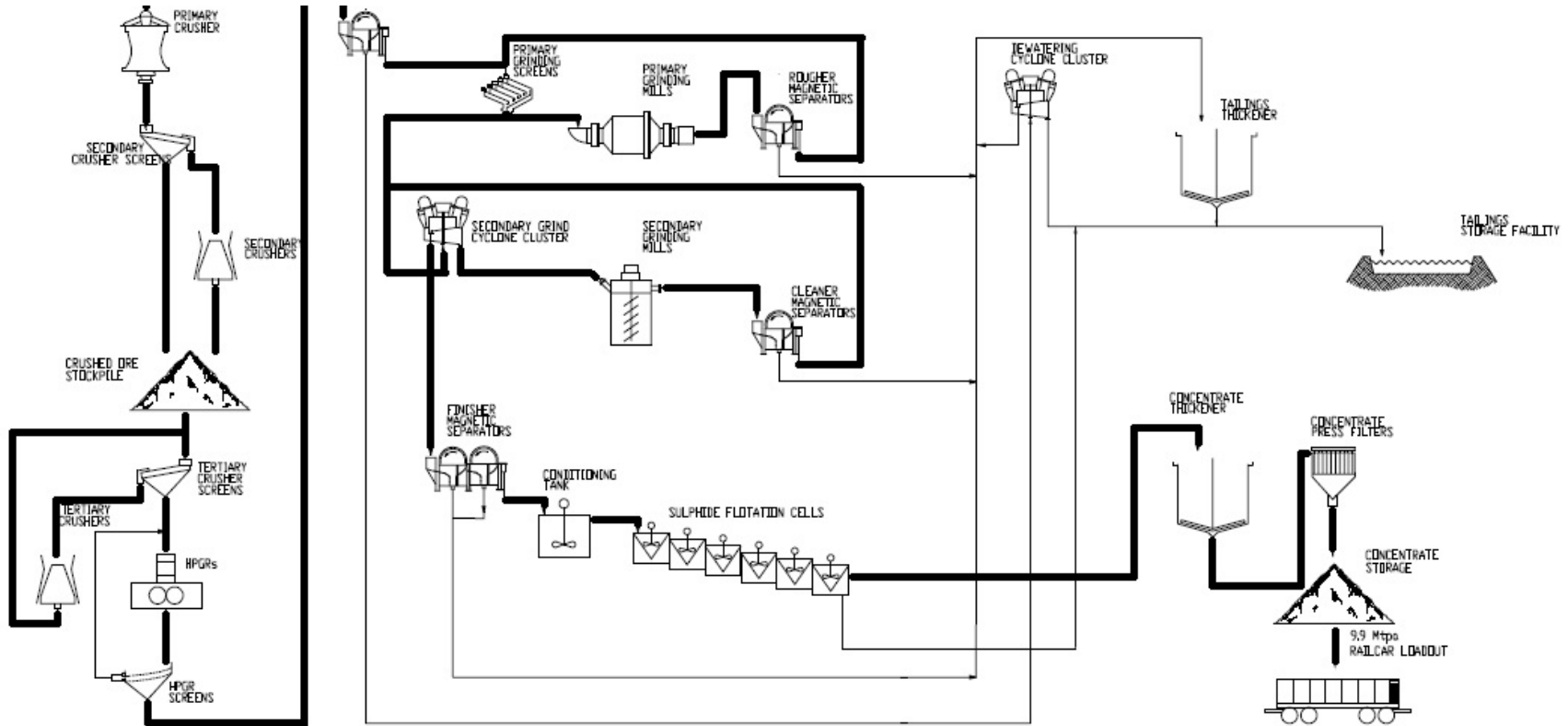


- Ground gravity and magnetic surveys show potential extension of iron ore mineralization at north end of property as circled in red

- This area has not been included in the NI 43-101 resource as it has not yet been sufficiently drilled
- The identified area will be a target of a future drill program to allow for a second phase process plant expansion to increase production and project value

CONVENTIONAL FLOWSHEET

Producing High Quality Iron Ore Products



	B.F. Concentrate		B.F. Pellets		D.R. Concentrate		D.R. Pellets	
Core Product	Fe	68.0%	Fe	65.5%	Fe	≥69.5%	Fe	67.4%
	SiO ₂	4.5%	SiO ₂	4.5%	SiO ₂	1.3%	SiO ₂	2.0%
	P	0.02%	S	<0.01%	P	0.02%	S	<0.01%
	S	0.05%	CaO/SiO ₂	0.15%	S	0.05%	CaO/SiO ₂	0.34%
	Al ₂ O ₃	0.43%	SiO ₂ +Al ₂ O ₃	5.1%	Al ₂ O ₃	0.28%	SiO ₂ +Al ₂ O ₃	2.4%
	Mn	0.03%	CaO+MgO	1.0%	Mn	0.03%	CaO+MgO	1.2%
	P80	32 μm	Compress.	318kg/pel	P80	32 μm	Compress.	283g/pel
								Value-Add Alternative Products

RAIL, PORT & POWER ACCESS SECURED

Essential for a Successful Iron Ore Project



- Letters of Intent in place for electricity (140MW) and natural gas (900m³/hr @85kPa)
- Paved roads to site, located 8km away from the city of Kryvyi Rih, population 750 000, which has a highly skilled work force supporting five iron ore mines
- Letter of Intent in place for up to 20MTpa of rail capacity from site to Port Yuzhny
- Black Iron's Shymanivske Project is only ~2km from main state-owned rail line
- Letter of Intent in place with a private operator at Port Yuzhny for up to 9.5MTpa shipping capacity
- Port Yuzhny is located ~430km away, loads cape sized vessels for other iron ore mines and provides access to global seaborne iron ore markets



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CONTACT US:



805-65 Queen Street West
Toronto, ON, Canada, M5H 2M5



Toronto: +1(416) 309 2138
Ukraine: +380 (56) 409 2536



info@blackiron.com

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