

# A Compelling Iron Ore Investment



**BLACK IRON**

## Corporate Structure

(in millions)

Shares Issued:	160
Fully Diluted:	187
Market Cap <sup>1</sup> :	~C\$22M
Working Capital <sup>2</sup> :	~US\$7M
Debt:	nil
Held by Insiders:	~20%

<sup>1</sup> As of Feb. 8, 2017

<sup>2</sup> As reported Sept. 30, 2016

## Contact Information

### Corporate Head Office:

805-65 Queen St. W.  
Toronto, Ontario, Canada  
M5H 2M5

### Kryviy Rih, Ukraine:

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50002, Ukraine  
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### Investor Inquiries:

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## Solid Fundamentals for Success

Black Iron Inc. is an *iron ore exploration and development company* with solid fundamentals to differentiate it from the pack.



### 1. Excellent Infrastructure (Skilled Labour, Power, Rail & Port)

- 35km from city of Kryviy Rih (pop. 750k); paved road to site
- 2km from state-owned rail and power lines; confirmed capacity to haul 20mtpa+; 5 deep water ports accessible by rail (140 – 515km)



### 2. Large Iron Ore Deposit with NI 43-101 Compliant Resource<sup>1</sup>

- Shymanivske: 646Mt Measure & Indicated resource @ 31.6% iron; additional 188Mt Inferred resource @ 30.1% iron, which will be concentrated to ~68% iron
- Potential for resource expansion to 1.1 – 1.8Bt

### 3. Ukraine: Strategic Location with Underdeveloped Reserves



- Close to target markets: Western Europe, Turkey, Middle East and Asia
- Black Iron is surrounded by 7 producing iron ore mines (adjacent to ArcelorMittal)
- Former Soviet Union has 21% of world's iron ore reserves but only 7% of world production

### 4. Economics: Attractive Project NPV and Favourable Tax Rate

- Bankable Feasibility Study for 9.9Mtpa high-grade 68% iron concentrate – pre-tax NPV of US\$3.3 billion using 8% discount rate and 48% IRR (US\$2.6 billion and 39% after-tax)
- Low unit cost of production and first quartile on capital intensity
- Competitive corporate tax rate of 18%

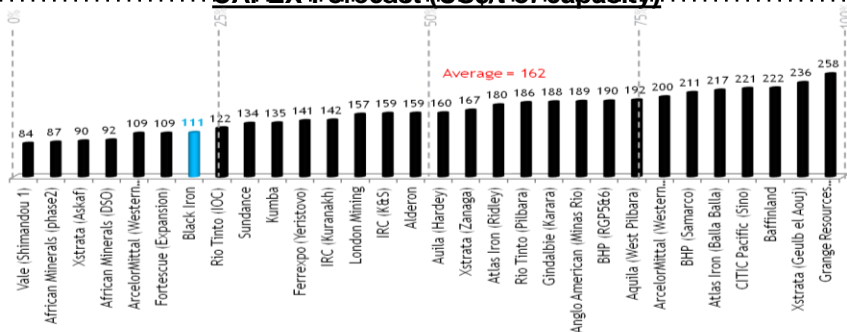
### 5. Skilled Management Team, Directors & Board

- History of creating value for shareholders of iron ore projects – Consolidated Thompson and Rio Tinto's IOC
- Respected Ukraine professionals and former Government Advisors

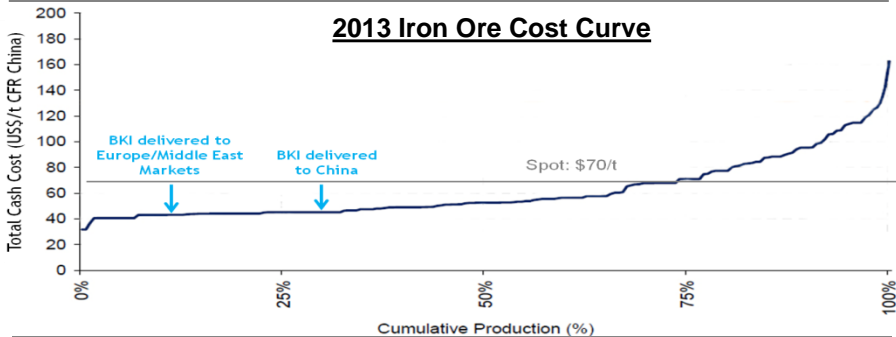
**World Class, High Value, Low Net Cost Project<sup>2</sup>**

Annual Production:	9.9 Mt
Iron Content:	68.0%
Estimated Capital Investment:	US\$1,097 million
Estimated Capital Intensity:	US\$111/tonne
Estimated Operating Expenses: (average freight on board)	US\$44.54/tonne
(average at mine gate)	US\$29.64/tonne
<b>Net Present Value (8% after-tax):</b>	<b>US\$2.6 billion</b>
<b>IRR (after-tax):</b>	<b>39%</b>
Annual Average Cash Flow:	US\$630 million
Projected Payback (8%):	2 years
Projected Plant Start-Up:	Q4 2016
Exchange Rate Used (currently 27:1)	UAH8:US\$1

**CAPEX Forecast (US\$/t of capacity)**



**2013 Iron Ore Cost Curve**



References: <sup>1</sup> "The technical information contained herein is derived from or a summary of the NI 43-101 Compliant Technical Report entitled "Feasibility Study of the Shymanivsk Iron Ore Deposit for Black Iron Inc.", dated January 24, 2014 (Prepared by Lycopodium Minerals Canada Ltd. the "Feasibility Study") – For additional information, please see the Feasibility Study filed on [www.sedar.com](http://www.sedar.com) dated January 24, 2014.

<sup>2</sup> Mineral Resources include Mineral Reserves. Resources are not Reserves and do not have economic viability. The mineral resource estimate for the Shymanivsk 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. Watts, Griffiths and McQuat Limited ("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. Geo, Vice-President of WGM and Mr. Richard Risto, P. Geo, 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 Feasibility Study was prepared in accordance with the guidelines of National Instrument 43-101 by the independent firms of Lycopodium Minerals Canada Ltd.; Soutex Mineral & Metallurgical Consultants; Watts, Griffiths and McQuat Limited; and P&E Mining Consultants Inc..

<sup>3</sup> Bankable Feasibility Study Press Release – for additional information, please see the Company's press release dated January 23, 2014. The Bankable Feasibility Study has been prepared in accordance with the guidelines of National Instrument 43-101, by the independent firms of Lycopodium Minerals Canada Ltd., Soutex Inc., Watts, Griffiths and McQuat Limited and P&E mining Consultants Inc.

Qualified Person Statement: 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 factsheet.

**Management**

**Matt Simpson – President & CEO**

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

**Michael Spektor – President**

- Former CEO of VS Energy which distributes ~30% of Ukraine's electricity and owns large steel mill

**Les Kwasic – COO**

- Successful mine developer with over 40 years of hands-on experience; former VALE, Xstrata, BE&K

**Paul Bozoki – CFO**

- Former CFO of CD Capital Partners, operating in Soviet Union & Ukraine

**Nikolay Bayrak – VP Government & Community Relations**

- Former department head, Ukrainian Ministry

**Board of Directors**

**Bruce Humphrey (Chairman)**

- Former Chief Operating Officer of Goldcorp

**Hon. Pierre Pettigrew**

- Former Canadian Cabinet Minister of Foreign Affairs & International Trade

**John Detmold**

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

**Dave Porter**

- Former VP HR at Rio Tinto's IOC and COO at Algoma Steel

**Matt Simpson – President & CEO**

