A COMPELLING IRON ORE INVESTMENT OPPORTUNITY

Corporate Presentation

TSX: BKI

2017
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, 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 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 Shymansivske 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 material 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 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 Shymansivske 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.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 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 SUCCESSFUL LOW COST PROJECT 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

Close to Target Markets
- Kryvyi Rih Ukraine is a major iron ore district close to Turkey, Europe, Asia and Middle East steel mills
- Able to produce premium grade & price Direct Reduction product

Compelling Economics
- Rescoped Preliminary Economic Assessment
  - Two phased build
    - 4Mtpa to 8Mtpa
    - NPV_{10} of US$1.7B
    - IRR of 36%

Premium Grade Product
- 68% iron content vs. benchmark 62% = less emissions to produce steel
- Very low impurities including Alumina & Phosphorus that make steel brittle

Skilled Leadership
- Significant iron ore mine operations and mine construction experience
- Senior team includes former Ukraine Member of Parliament
01
IPO Toronto Stock Exchange
Raised $38M at $1.40/share

03
$511M construction finance commitment from Metinvest
9th largest iron ore miner & 16th steel producer globally

05
• War breaks out
• Iron ore price falls from $95 to $40/T
• Quality premiums >2-3x historic
• Exchange rate fell from 8 to 27UAH:US$1

07
Situation today
• Front line stable
• Iron ore ~$60/T

02
Technical studies & permits advanced
• Mining Allotment Permit
• Feasibility Study
• PEA

04
Prepaid offtake negotiations well advanced to round out construction equity

06
• Offtake negotiations halted
• Metinvest divested
• Two largest shareholders sell position

08
Go forward plan
• Phased build from 4 to 8 MTPa
• Reinitiate prepaid offtake discussions
• Secure key land

Move to Production (2011 – 2014)
Care & Maintenance (2015-2016)
Reboot Move to Production (2017 onwards)
WHAT SETS **BLACK IRON** APART?

**Major Infrastructure Built & Skilled Low Cost Labour**

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 kilometer to build
- Powerline costs ~US$1M per kilometer

- 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 currently sells for ~$47/T premium
- Price premium rising do to environmental consciousness primarily in China

Iron content premium (penalty) (+1% vs. 62%)

- $10
- $9
- $8
- $7
- $6
- $5
- $4
- $3
- $2
- $1

Jan-15  Jul-15  Jan-16  Jul-16  Jan-17  Jul-17
SIGNIFICANTLY UNDERVALUED VS PEER DEVELOPERS

Ferrexpo (Ukraine iron ore producer) is a Good Indicator of Share Price Potential

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

Ferrexpo: $2.598/tonne

Enterprise Value / Contained Reserves & Resources Fe (US$/tonne)

Ferrexpo: $1.484/tonne

Notes: Market data as of November 17th, 2017
Source: company disclosures, Bloomberg
SOUND CAPITAL STRUCTURE
Attractive Valuation with Substantial Upside & Funding Support

Capital Structure (TSX: BKI)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Outstanding</td>
<td>159.7 million</td>
</tr>
<tr>
<td>Stock Options</td>
<td>12.7 million</td>
</tr>
<tr>
<td>DSU</td>
<td>2.4 million</td>
</tr>
<tr>
<td>Warrants</td>
<td>Nil</td>
</tr>
<tr>
<td>Fully Diluted Shares</td>
<td>174.9 million</td>
</tr>
<tr>
<td>Market Cap¹</td>
<td>$20.0 million</td>
</tr>
<tr>
<td>Working Capital²</td>
<td>US$5.2 million</td>
</tr>
<tr>
<td>Debt</td>
<td>Nil</td>
</tr>
</tbody>
</table>

¹ As of November 14, 2017
² As of September 30, 2017
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

Michael Spektor – President
• Former CEO of VS Energy International which distributes ~30% of Ukraine’s electricity and owns one of Ukraine’s largest steel mills

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.

Nikolay Bayrak – VP Gov’t & Community Relations
• Former department head, Ukrainian Ministry of Emergencies and Public Protection; Former MP

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
**Strengthening Management Team**

February 7, 2017

Michael Spektor, the former CEO of Ukraine Based VS Energy International LLC, appointed as the President of the Company

- VS Energy owns one of the largest steel mills in Ukraine & is a large electricity distributor
- Michael has a proven track record of building successful companies in Ukraine

**Recent Permit Advancements**

March 29, 2017

Black Iron receives approval from Kryvyi Rih City Council to prepare a land allotment

- Key milestone to obtaining surface rights
- Project now registered in city’s infrastructure development and land lease plans

**Major Ukrainian Currency Depreciation**

- Ukrainian Hryvnia depreciated significantly since the completion of feasibility study in 2014
- Currently UAH27:US$1 and expected to stay at these levels long term\(^1\)
- Feasibility study based on UAH8:US$1
- Ukraine GDP per capita only US$2100/person despite >99% literacy\(^2\)

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\(^1\) Bloomberg, April 25, 2017

\(^2\) World Bank, 2017
**DEPOSITS IN MINING FRIENDLY REGION**
Adjacent to Five Existing Iron Ore Producers, Rail and Power lines

- Mining permit at Shymanivske covering 2.56 km² 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](http://www.blackiron.com) for a video showing the project locations and close proximity of rail and power infrastructure
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 workforce supporting five iron ore mines
- Letter of Intent in place for up to 20 million tonnes per year of rail capacity from site to Port Yuzhny
- Black Iron’s Shymanivske Project is only ~2 km from main state-owned rail line
- Letter of Intent in place with a private operator at Port Yuzhny for up to 9.5 million tonnes shipping capacity per year
- Port Yuzhny is located ~430 km away, loads cape sized vessels for other iron ore mines and provides access to global seaborne iron ore markets
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
- River barge & rail access to Western Europe.
- Five dry bulk tonnage ports accessible using railway running beside properties
- Approximately 20% to 25% shorter transport distance to growth markets of India and China as compared to North and South American producers

- Excellent Ukrainian logistical advantages
  - Densely populated roadway infrastructure
  - 468 million tonnes of cargo transported via rail annually
  - 155 million tonnes of cargo transported via ship annually at cape sized vessel depth port
**LARGE ORE DEPOSIT WITH GROWTH POTENTIAL**

### Total defined resources

<table>
<thead>
<tr>
<th>Shymanivske</th>
<th>Tonnage (Mt)</th>
<th>Fe Tot (%)</th>
<th>Fe Mag (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>355</td>
<td>32.0</td>
<td>19.5</td>
</tr>
<tr>
<td>Indicated</td>
<td>290</td>
<td>31.1</td>
<td>17.9</td>
</tr>
<tr>
<td>Total M&amp;I Resources*</td>
<td>646</td>
<td>31.6</td>
<td>18.8</td>
</tr>
<tr>
<td>Inferred</td>
<td>188</td>
<td>30.1</td>
<td>18.4</td>
</tr>
</tbody>
</table>

**In-pit mineable resources**

<table>
<thead>
<tr>
<th>Shymanivske</th>
<th>Tonnage (Mt)</th>
<th>Fe Tot (%)</th>
<th>Fe Mag (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>340</td>
<td>31.3</td>
<td>19.2</td>
</tr>
<tr>
<td>Indicated</td>
<td>140</td>
<td>31.1</td>
<td>18.8</td>
</tr>
<tr>
<td>Total M&amp;I Resources*</td>
<td>480</td>
<td>31.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Inferred</td>
<td>27</td>
<td>31.2</td>
<td>19.6</td>
</tr>
</tbody>
</table>

- Banded iron formation consisting primarily of magnetite with some hematite
  - Iron band thickness ranges from 40-80m
  - Only 9.7-21.2 m 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 ~54,000 metres 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
## 2014 Feasibility Study Highlights

**High Value, Low Net Cost Iron Ore Development Project**

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

*Preliminary Economic Assessment completed by BBA in November 2017*
BLACK IRON’S CAPITAL COST ADVANTAGE
Shymanivske Relative to Other Iron Ore Projects

CAPEX Forecast
(US$/t of capacity)

<table>
<thead>
<tr>
<th>Company</th>
<th>Phase/Location</th>
<th>CAPEX Forecast (US$/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glencore (Askaf)</td>
<td></td>
<td>90</td>
</tr>
<tr>
<td>Black Iron - Phase 1+2</td>
<td></td>
<td>94</td>
</tr>
<tr>
<td>Fortescue (Expansion)</td>
<td></td>
<td>109</td>
</tr>
<tr>
<td>Black Iron - Phase 1</td>
<td></td>
<td>109</td>
</tr>
<tr>
<td>Aldeor</td>
<td></td>
<td>128</td>
</tr>
<tr>
<td>Sundance</td>
<td></td>
<td>134</td>
</tr>
<tr>
<td>Kumba</td>
<td></td>
<td>135</td>
</tr>
<tr>
<td>Ferrexpo (Yeristovo)</td>
<td></td>
<td>141</td>
</tr>
<tr>
<td>IRC (Karankh)</td>
<td></td>
<td>142</td>
</tr>
<tr>
<td>IRC (K&amp;S)</td>
<td></td>
<td>159</td>
</tr>
<tr>
<td>Auila (Hardey)</td>
<td></td>
<td>160</td>
</tr>
<tr>
<td>Glencore (Zanaga)</td>
<td></td>
<td>167</td>
</tr>
<tr>
<td>Alidos (Ridley)</td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Rio Tinto (Pilbara)</td>
<td></td>
<td>186</td>
</tr>
<tr>
<td>Gindalbie (Karara)</td>
<td></td>
<td>188</td>
</tr>
<tr>
<td>Anglo American (Minas Rio)</td>
<td></td>
<td>189</td>
</tr>
<tr>
<td>BHP (RG5 &amp; 6)</td>
<td></td>
<td>190</td>
</tr>
<tr>
<td>Aqualia (West Pilbara)</td>
<td></td>
<td>192</td>
</tr>
<tr>
<td>ArcelorMittal (Western Range ph1)</td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>BHP (Samarco)</td>
<td></td>
<td>211</td>
</tr>
<tr>
<td>Atlas Iron (Balla Balla)</td>
<td></td>
<td>217</td>
</tr>
<tr>
<td>CITIC Pacific (Sino)</td>
<td></td>
<td>221</td>
</tr>
<tr>
<td>Baffinland</td>
<td></td>
<td>222</td>
</tr>
<tr>
<td>Glencore (Geulbel Auel)</td>
<td></td>
<td>236</td>
</tr>
<tr>
<td>Grange Resources (Southdown)</td>
<td></td>
<td>258</td>
</tr>
</tbody>
</table>

Average = 168

Source: company disclosures
BLACK IRON’S TARGET  CAPITAL FUNDING STRATEGY

Construction Capital

40%

- Off-take
- Capital Markets

60%

- Export Credit Agencies
- Bank Debt / High-Yield Bonds
# PERMIT PROCESS FOR SHYMANIVSKE DEPOSIT

Black Iron Remains on Track

<table>
<thead>
<tr>
<th>Exploration Permit</th>
<th>Extraction Permit</th>
<th>Mining Allotment</th>
<th>Land Allotment</th>
<th>Construction Approval</th>
<th>Operations Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explore resource potential</td>
<td>Deem deposit economical</td>
<td>Pit shell reserves &amp; environmental impact Gov approval</td>
<td>Obtain surface rights for mine, refinery &amp; tailings</td>
<td>Start mine overburden removal &amp; plant construction</td>
<td>Operate mine &amp; refinery</td>
</tr>
<tr>
<td>Conduct geophysical program</td>
<td>Complete Ukraine version of scoping study including evaluation of various mining methods &amp; high level environmental impact</td>
<td>Complete field environmental (OVOS) &amp; archeological studies for Gov approval</td>
<td>Land use analysis based on plot plan showing major buildings &amp; agreed connections to utilities, rail and roads (Proekt)</td>
<td>Detailed design approved (Expertisa)</td>
<td>Ensure compliance with Ukraine Safety, Environment, Health and Employment laws as check by regular Gov inspections</td>
</tr>
<tr>
<td>Drill ore body</td>
<td>Submit pit shell design &amp; mapped ground surface project for Gov. approval</td>
<td>Approval of the project location</td>
<td>Obtaining the construction permit</td>
<td>Commissioning of the facility</td>
<td>Finalize environmental permits</td>
</tr>
<tr>
<td>State approval of explored deposit</td>
<td></td>
<td></td>
<td>Approval from all land owners &amp; finalize lease</td>
<td>Registration of the ownership to the facility</td>
<td></td>
</tr>
</tbody>
</table>
### SHYMANIVSKE PROJECT DEVELOPMENT TIMELINE

<table>
<thead>
<tr>
<th>Milestone</th>
<th>2011-2017</th>
<th>2018</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drill metallurgical holes</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scoping Study/PEA</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Definition Drilling</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Bankable Feasibility Study</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Pilot Plant Test Work</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Off-take &amp; Project Finance</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permitting</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed Engineering</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Milestone Achieved

** See Disclaimer on page 2 **
SEVERAL CATALYSTS OVER NEXT 12 MONTHS

1. Obtain Land Allotment permit
2. Secure surface rights for ore body
3. Secure surface rights for plant, Tailings and waste rock
4. Complete revised feasibility study
5. Arrange pre-paid offtake agreement to reduce equity required for construction financing
6. Initiate debt discussions for construction financing
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 resource*
- 646 Mt Measured & Indicated mineral resource @ 31.6% iron; additional 188 Mt 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 in: W.Europe, Turkey, Russia, Asia & Middle East with ability to produce premium grade & priced DR product

Compelling Economics
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

*Please see notes on page 2
-Resources are not Reserves and do not have economic viability
GLOBALLY SIGNIFICANT IRON ORE DISTRICT
4th largest iron ore producer & 2nd largest reserve base

- Black Iron’s projects are located in the heart of Ukraine’s iron ore belt
  - 35km from Kryvyi Rih, city of 750,000 people
- Iron ore district trends 300 km with sedimentary rock hosted banded iron formations (Dnenpovskog complex)
- Historically well explored resource base but substantially under-exploited due to historic Soviet policy
- 15 iron ore mines in Ukraine produced 88 million tonnes in 2012

Global Distribution of Fe Reserves & Fe Production

% of World Production and Reserves

Source: Based on known production and reserves as listed in the USGS 2013 Iron Ore report
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
DETAILED MINE PIT DESIGN AND 3D PLANT MODEL COMPLETED FOR FEASIBILITY STUDY
COMPACT CONCENTRATOR SURFACE FOOTPRINT
CONVENTIONAL FLOWSHEET
Producing High Quality Iron Ore Products

<table>
<thead>
<tr>
<th>Core Product</th>
<th>B.F. Concentrate</th>
<th>B.F. Pellets</th>
<th>D.R. Concentrate</th>
<th>D.R. Pellets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fe</td>
<td>68.0%</td>
<td>Fe</td>
<td>65.5%</td>
<td>Fe</td>
</tr>
<tr>
<td>SiO₂</td>
<td>4.5%</td>
<td>SiO₂</td>
<td>4.5%</td>
<td>SiO₂</td>
</tr>
<tr>
<td>P</td>
<td>0.02%</td>
<td>S</td>
<td>&lt;0.01%</td>
<td>P</td>
</tr>
<tr>
<td>S</td>
<td>0.05%</td>
<td>CaO/SiO₂</td>
<td>0.15%</td>
<td>CaO/SiO₂</td>
</tr>
<tr>
<td>Al₂O₃</td>
<td>0.43%</td>
<td>SiO₂ + Al₂O₃</td>
<td>5.1%</td>
<td>SiO₂ + Al₂O₃</td>
</tr>
<tr>
<td>Mn</td>
<td>0.03%</td>
<td>CaO + MgO</td>
<td>1.0%</td>
<td>CaO + MgO</td>
</tr>
<tr>
<td>P80</td>
<td>32 µm</td>
<td>Compress.</td>
<td>318kg/pel</td>
<td>Compress.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.F. Concentrate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fe</td>
<td>65.5%</td>
<td>Fe</td>
<td>≥69.5%</td>
<td>Fe</td>
</tr>
<tr>
<td>SiO₂</td>
<td>1.3%</td>
<td>SiO₂</td>
<td>1.3%</td>
<td>SiO₂</td>
</tr>
<tr>
<td>S</td>
<td>0.02%</td>
<td>P</td>
<td>0.02%</td>
<td>P</td>
</tr>
<tr>
<td>S</td>
<td>0.05%</td>
<td>CaO/SiO₂</td>
<td>0.05%</td>
<td>CaO/SiO₂</td>
</tr>
<tr>
<td>Al₂O₃</td>
<td>0.28%</td>
<td>SiO₂ + Al₂O₃</td>
<td>2.4%</td>
<td>SiO₂ + Al₂O₃</td>
</tr>
<tr>
<td>Mn</td>
<td>0.03%</td>
<td>CaO + MgO</td>
<td>1.2%</td>
<td>CaO + MgO</td>
</tr>
<tr>
<td>P80</td>
<td>32 µm</td>
<td>Compress.</td>
<td>283g/pel</td>
<td>Compress.</td>
</tr>
</tbody>
</table>

Value Add Alternative Products

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