

Black Iron Inc. and Metinvest B.V. close strategic investment and development arrangement

Final US\$5 million installment payment has been received by Black Iron, completing the initial US\$20 million commitment. Additional potential investment by Metinvest could reach as much as US\$536 million to finance half of the construction cost.

July 15, 2014 – Black Iron Inc. (“Black Iron” or the “Company”) (TSX: BKI; FRANKFURT: BIN) has received the fourth and final installment payment of US\$5 million from Metinvest B.V. (“Metinvest”) as part of the previously announced closing schedule (see press release dated April 15, 2014) for the strategic investment and development arrangement (the “Arrangement”) (see press release dated July 23, 2013) pertaining to Black Iron (Cyprus) Ltd. (“BKI Cyprus”).

In conjunction with the closing of the Arrangement and receipt of the US\$20 million, Metinvest has been issued common shares in BKI Cyprus representing an aggregate total of 49% of the share capital of BKI Cyprus. No common shares in Black Iron have been issued as part of the Arrangement. Black Iron remains the operator and developer of the Shymanivske Project and the Zelenivske Project (collectively, the “Projects”).

Each of Metinvest and Black Iron will have the option to participate in the funding of the development of the Shymanivske Iron Ore Project based on their proportionate interest in BKI Cyprus or be diluted down. Using the projected total capital investment requirements as outlined in the Company’s Bankable Feasibility Study (as filed under the Company’s profile on SEDAR on January 27, 2014) of US\$1097 million, Metinvest’s future capital contribution could be up to US\$536 million (being 49% of US\$1097 million) for the development of the Projects. The Arrangement contains strict dilution provisions designed to create a strong incentive for continued participation in any future equity financings for the Projects.

Yuriy Ryzhenkov, General Director and CEO of Metinvest, commented, “Metinvest and Black Iron remain devoted to helping rebuild Ukraine’s economy through the development of the Shymanivske Iron Ore Project. Apart from the creation of thousands of new jobs and tens of millions annually in tax revenues, Ukrainians will also benefit from new world class iron ore processing, safety and environmental technologies.”

Matt Simpson, President and CEO of Black Iron, commented, “With this strategic arrangement now closed, and our relationship with Metinvest formally in place, once there is peace in Ukraine, we look forward to building the world-class iron ore producing mine outlined in our January 2014 Feasibility Study that shows a pre-tax 48% internal rate of return, two year payback and US\$3.3 billion net present value. We see tremendous opportunities ahead for all stakeholders in Black Iron as this project is needed more than ever to help reinvigorate Ukraine’s economy as the country emerges from the current revolution.”

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