

Black Iron Inc. and Metinvest B.V. Finalize Arrangement to Develop Ukrainian Iron Ore Assets

Black Iron Inc. ("Black Iron" or the "Company") (TSX:BKI) (FRANKFURT:BIN) is pleased to announce that Metinvest B.V. ("Metinvest"), Ukraine's largest mining and steel producer, has executed definitive agreements to form a development arrangement with Black Iron and to invest in Black Iron (Cyprus) Ltd ("BKI Cyprus"), which is currently a wholly-owned subsidiary of Black Iron. The agreements create a defined path for Metinvest to become a prominent shareholder of Black Iron's development projects, the Shymanivske Project and the Zelenivske Project (collectively, the "Projects"), each located in Kryvyi Rih, Ukraine.

Provisions of the agreements between Black Iron and Metinvest require Metinvest to make an initial investment of US\$20 million in BKI Cyprus to help fund the Projects, with potential investment amounts thereafter expected to increase during construction of the Projects to approximately US\$536 million.

Black Iron plans to use all of the proceeds received from the Metinvest subscription in BKI Cyprus shares to finance the development of its Shymanivske Project and for general working capital purposes.

Completion of this transaction is subject to receipt of all necessary regulatory approvals, including the Government of Ukraine's anti-monopoly division.

Metinvest has a proven track record of developing and operating iron ore projects in Ukraine, which will prove invaluable to Black Iron in the advancement of its Projects. It will also serve in helping attract future foreign investment to Ukraine.

Matt Simpson, President and CEO of Black Iron said, "Black Iron selected Metinvest for its industry-leading experience in iron ore mining and steel making, as well as its operational history in Ukraine. This agreement greatly strengthens our development team and I look forward to being closely associated with Metinvest. Together, we will help bring new world class iron ore processing, safety and environmental technologies to Ukraine."

Igor Syry, General Director and CEO of Metinvest added, "Metinvest believes that development of Black Iron's Shymanivske Project will be important for Ukraine and its economy. It will represent a major investment in Ukraine, resulting in increased local employment, the improvement of local infrastructure and environmental level standards in Kryvyi Rih, and become a catalyst for regional and national social and economic development."

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