

Black Iron Inc.

08:40 24 Apr 2020

Black Iron raising C\$1.8 million to advance Shymanivske iron ore project through to construction

Black Iron Inc (TSE:BKI) (OTCPINK:KIRF) has announced plans to raise nearly C\$1.8 million to advance its large Shymanivske iron ore project in Ukraine.

The Toronto-based company said that the funds would be used specifically for negotiations to secure land surface rights, discussions on construction financing and general working capital.

Shymanivske's mineral resource estimate includes 646 million tons of measured and indicated mineral resources, consisting of 355 million tons of iron graded at 32% total iron in the measured category and indicated mineral resources of 290 million tons grading 31.1% total iron.

READ: Black Iron says strong interest in potential Shymanivske iron ore project investors

The developer said it is seeing strong interest from a number of steel mills and global trading companies to sign an offtake agreement for the entire initial 4 million tons of annual production in exchange for construction funding. Site visits are now on hold due to the coronavirus pandemic and subsequent negotiation is on hold too pending the opening of international borders.

Black Iron noted that benchmark 62% iron content ore continues to sell above US\$80 per ton, a much higher ceiling than the long-term US\$62 per ton used in Shymanivske's preliminary economic assessment (PEA).

The PEA estimates an after-tax unlevered internal rate of return of 34% and net present value of US\$1.4 billion using a 10% discount rate for a US\$452 million investment to construct the initial four million tons per annum plant, which is expected to produce ultra-high grade 68% iron content pellet feed.

"The strong economic returns expected to be generated by the Shymanivske project reinforce the unique investment opportunity Black Iron presents by not having to build high-cost rail, powerlines or a port, as is required with the majority of other iron ore development projects globally," the company told shareholders in a statement Friday.

Deal terms

The offering is important to ensure Black Iron has sufficient funds to complete this work as it is expected to be transformative for the company, the group said.

Under the terms of the offering, Black Iron plans to issue just over 36.5 million units priced at C\$0.05 per unit for maximum proceeds of C\$1,826,721. Each unit consists of one share and one-third of one warrant exercisable at C\$0.06 for a three-year period following the offering's closing date.

Price: 0.435

Market Cap: \$109.93 m

1 Year Share Price Graph



March 2020 August 2020 March 2021

Share Information

Code: BKI

Listing: TSX

52 week High Low
0.485 0.05

Sector: General mining & base metals

Website: www.blackiron.com

Company Synopsis:

Black Iron (TSX:BKI,OTC:BKIRF,FWB:BIN) is developing an iron ore mine ranked as having the highest financial return and lowest cost development project globally by market intelligence firms Wood MacKenzie and CRU. Exceptional skilled labor and infrastructure access along with the very high 68% iron content purity of its final product differentiates Black Iron.

action@proactiveinvestors.com

The company expects to close the private placement by May 1.

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Black Iron Inc. named herein, including the promotion by the Company of Black Iron Inc. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).