

Black Iron Inc.

07:45 03 Mar 2020

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

Black Iron Inc (TSE:BKI) (OTCMKTS:BKIRF) said it is making good progress in its bid to secure an investment from steel mills and commodity traders to help fund first phase construction of its Shymanivske project in Ukraine in exchange for offtake rights.

The firm is looking for a group to fund a "meaningful amount" of the expected US\$452 million required and a number have started discussing and proposing commercial terms, the resource group said in a statement.

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The offtake rights involve buying up to 4 million tonnes a year of ultra-high grade 68% iron ore planned to be produced in phase 1 at a slight discount to the daily traded benchmark price, and a stake in Black Iron.

"My main goal over the coming months is to secure a large investment from one of these groups to fund construction as doing so is transformative for Black Iron," said Matt Simpson, CEO.

"The increased focus globally to reduce the impacts of climate change is leading to significant steel sector restructuring resulting in a growing demand for higher iron content, low-impurity feedstock that can be pelletized as steel mills strive to lower emissions and boost furnace efficiency," he added.

The firm also noted that while several of these groups are outside Asia, there are potential offtake and construction investors in Asia.

Travel limited

"Due to the coronavirus outbreak, travel to and from Asia has been limited and thus some of these potential offtake groups have been unable to schedule a site visit at this time."

Also in today's statement, the firm said it had slightly amended the 2017 preliminary economic assessment (PEA) mine model, which has had little impact on the projected project economics.

This has resulted in a slightly revised mine life (17 from 20 years previously) and strip ratio (amount of waste mined per tonne of mineralized material). That goes to 1.0 from 0.6.

Initial capital costs go to US\$452 million from US\$436 million, while the pre-tax net present value (NPV) at a 10% discount is pegged at US\$1.85 billion from US\$2.11 billion in 2017.

Shymanivske boasts an NI 43-101 compliant mineral estimated to have 646 million tonnes (Mt) of higher confidence measured and indicated resources.

Price: 0.105

Market Cap: \$24.71 m

1 Year Share Price Graph



Share Information

Code: BKI

Listing: TSX

52 week High Low
0.195 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.

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Shares in Toronto were unchanged at C\$0.08 each.

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