BLACK IRON OFFTAKE AND ROYALTY PROGRESS UPDATE

For Immediate Release

TORONTO, CANADA, September 30, 2020 – Black Iron Inc. ("Black Iron" or the "Company") (TSX: BKI) has set October 9, 2020 as the submission date for expressions of interest to be received from steel mills and global traders to secure the rights to purchase its initial entire expected annual production of 4 million tonnes of pellet feed, in exchange for making a substantial investment towards construction of the Shymanivske iron ore project (the "Project"). There are several multi-billion market capitalization companies participating in this competitive process given their interest in Black Iron's very low expected operating and construction costs to produce an ultra premium 68% iron content product in close proximity to several steel mills.

Upon review of the expressions received, a subset of the steel mills and global traders who submit the most compelling investment and offtake proposals will be invited to participate in a second round of due diligence. The selected steel mills and global traders will then be provided more detailed technical and legal information, as well as be invited to conduct site tours, either in person or virtually depending on travel preferences and constraints. Upon completion of the second round, targeted for mid Q1 2021, binding submissions to invest and secure offtake rights will be sought.

Black Iron's management are also well advanced in the negotiation of terms for a potential royalty investment valued at multiple times the Company's current market capitalization. The main benefit of including a royalty investment as part of the capital structure is it is less dilutive for existing shareholders given the investment amount relative to today's market capitalization. Should this royalty investment be secured on attractive terms, it has the potential to displace the offtake investment as the main source of equity required for Project construction. For clarity, Company management will still seek to secure an offtake investment to round out the equity required for Project construction and product purchase agreements often required by debt investors. It is possible, this royalty could be finalized prior to the end of this year.

Finally, Black Iron management are also very close to finalizing a Heads of Agreement with a second construction company that will include an investment package valued at ~US$60 million. Black Iron expects to conclude a binding construction / investment agreement after the offtake investment has been secured.

Further updates on the results of these processes will be announced as continued progress is made.

About Black Iron

Black Iron is an iron ore exploration and development company, advancing its 100% owned Shymanivske project located in Kryviy Rih, Ukraine. The Shymanivske project contains a NI 43-101 compliant mineral resource estimated to be 646 Mt Measured and Indicated mineral resources, consisting of 355 Mt Measured mineral resources grading 32.0% total iron and 19.5% magnetic iron, and Indicated mineral resources of 290 Mt grading 31.1% total iron and 17.9% magnetic iron, using a cut-off grade of 10% magnetic iron. Additionally, the Shymanivske project contains 188 Mt of Inferred mineral resources grading 30.1% total iron and 18.4% magnetic iron. Full mineral resource details can be found in the NI 43-101 compliant technical report entitled “Preliminary Economic Assessment of the Re-scoped Shymanivske Iron Ore Deposit” effective November 21, 2017 under the Company’s profile on SEDAR at www.sedar.com. The Shymanivske project is surrounded by five other operating mines, including ArcelorMittal's iron ore complex. Please visit the Company's website at www.blackiron.com for more information.

The technical and scientific contents of this press release have been prepared under the supervision of and have been reviewed and approved by Matt Simpson, P.Eng, CEO of Black Iron, who is a Qualified Person as defined by NI 43-101.

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Forward-Looking Information

This press release contains forward-looking information. Forward-looking information is based on what management believes to be reasonable assumptions, opinions and estimates of the date such statements are made based on information available to them at that time. Forward-looking information may include, but is not limited to, statements with respect to the financial viability of the Project, the Company’s ability to obtain adequate financing, the Company’s ability to develop the Shymanivske project, the ceasefire of conflict in Ukraine and the Company’s 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". 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 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 Company notes that mineral resources that are not mineral reserves do not have demonstrated economic viability.