FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Black Iron Inc.
65 Queen Street West
Suite 900
Toronto, ON M5H 2M5

Item 2 Date of Material Change

December 30, 2020

Item 3 News Release

A news release was issued by Black Iron Inc. ("Black Iron" or the "Company") on December 30, 2020 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company issued 30 million common share purchase warrants to Perpetual Iron LLC (“Perpetual”) for facilitating and supporting negotiations with an arm’s length investor who entered into a non-binding royalty term sheet for US$100 million with the Company. These warrants have an exercise price of $0.31 and expire on December 30, 2025. The Warrants will only vest (i.e. Perpetual being able to exercise) once the Company enters into binding agreements with the investor.

Item 5 Full Description of Material Change

Further to the December 22, 2020 announcement regarding Black Iron signing a US$100 million term sheet for a life of mine 6.75% royalty on the initial 4Mtpa production, the Toronto Stock Exchange (TSX) has reviewed this transaction and conditionally approved the granting of 30 million warrants to Perpetual for facilitating and supporting negotiations with the investor. These warrants have an exercise price of $0.31 and expire on December 30, 2025. The Warrants will only vest (i.e. Perpetual being able to exercise) once the Company enters into binding agreements with the investor. Ten million warrants will vest upon Black Iron entering into a binding definitive agreement with the investor and the balance of the warrants will vest upon the investor funding its investment. Should Black Iron not enter into a binding definitive agreement with this investor prior to December 22, 2022, all warrants issued to Perpetual will expire.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Matt Simpson
Chief Executive Officer
(416) 309-2138

Item 9 Date of Report

January 5, 2021

Forward-Looking Information

This material change report 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 vesting of the warrants, the price of iron ore, the demand for iron ore, the Company's ability to obtain adequate financing, including offtake financing, the Company's ability to enter into definitive agreements with investors, the Company's ability to acquire the requisite land for Project construction, 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.