



Corporate Head Office
65 Queen Street West, 8th Floor
Toronto, Ontario, Canada
M5H 2M5

Ukraine Corporate Office
307-21 Ordzhaniukidze Street
Kryviy Rih, Dnipropetrovsk
50005, Ukraine

April 25, 2014

Anti-Propaganda Sub Committee
Euromaidan Toronto Committee
Ukrainians of Canada for Democratic Ukraine

Dear Antonia Kumka and Konstantine Men (Anti-Propaganda Sub Committee, Toronto)
Bohdan Krupskyy (Euromaidan, Toronto)
Pavlo Zabigail (Ukrainians of Canada for Democratic Ukraine)

RE: Response to letter to Black Iron Inc. dated April 13, 2014

Black Iron Inc. ("Black Iron" or "we") would like to express its appreciation to the Anti-Propaganda Sub Committee, Euromaidan Toronto, and Ukrainians of Canada for Democratic Ukraine for reaching out to us to clarify our position on the situation in Ukraine.

We Support Immediate-Term, Peaceful Resolutions to Conflict throughout Ukraine

Along with our iron ore assets located in Kriviy Rih, Dnipropetrovsk Region of Ukraine, Black Iron has employees, business partners, suppliers, and investors throughout Ukraine. We monitor developments in the country very closely and are troubled by the events that have unfolded over the past five months. There is no place for violence or bloodshed. Peaceful resolution and disarmament in Eastern Ukraine is needed immediately out of respect for human life and the ability for all citizens to peacefully co-exist in a democratic society.

We Support a United, Independent, and Inclusive Ukraine

Our hope for Ukraine is that it will emerge from these trying times stronger, united, and truly democratic. We see a new Ukraine eradicating corruption and promoting organic growth through foreign investment. A new Ukraine, with an improved standard of living for all citizens.

We Will Support Ukraine through the Creation of New Higher Paying Jobs

Black Iron's Shymanivske Project from a technical standpoint is ready for construction and we are currently working through our financing process in hopes of beginning construction potentially as early as the fourth quarter of 2014. During the construction



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period, which is estimated to take twenty-four months, Black Iron will directly create 6,000 new jobs. Once built, the mine and surrounding plants will directly create 2,000 new permanent jobs, with a conservative estimate of 8,000 new services jobs related to supporting the mine's operations. That is a total of 10,000 new, high paying, skilled jobs with the opportunity for further advancement and exposure to best international practices, new world-class technologies and equipment.

We Will Support Ukraine through Increased Spending and Tax Payments in Country

Along with the creation of new jobs, Black Iron will make significant contributions to Ukraine's national budget and local economies. Once in operation, we estimate corporate taxes and royalties totaling approximately US\$100 million per year. On top of that, the local operating costs for the mine will be approximately US\$450 million per year. These tax and operating costs paid by Black Iron will continue to benefit the country, its local economies and local businesses by generating new revenues and creating additional new jobs. Further, we believe in sustainable development and are committed to continue making contributions to the country through ongoing investments in local community projects and infrastructure.

We Will Support Ukraine through Positive International Business Attention and Investment

Black Iron has been active in Ukraine for over three years and has already invested over US\$60 million developing our asset despite political challenges as its economic returns are exceptional. We are fully committed to this Project and to Ukraine. We have successfully raised capital for our development from the international investment community and these efforts will continue with increased vigor in order to raise the US\$1.1 billion required to get the new mining complex into operation. In doing so, Black Iron will hold itself out as a genuine example for a fully transparent foreign investment in Ukraine. Part of this major financing effort includes the investment being made by Metinvest, who has committed to finance half of the project's equity estimated at US\$250 - \$300 million. Black Iron selected Metinvest for its industry-leading experience operating iron ore mines and steel mills in Ukraine. We are a shovel ready Canadian mine developer and, to our knowledge, the largest foreign greenfield project in the mining space in Ukraine in the last 60 years. The success of our project is critical to building foreign investor confidence in Ukraine as this will break down the barriers for other entrepreneurs looking to attract investment for many existing development opportunities in the country. In summary, Black Iron's success and the returns generated for the national budget, the local communities and for our investors will



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encourage other new investments, create jobs and growth for the country, which is essential to sustainably spur economic progress and ultimately improve living standards for all Ukrainians.

We believe Ukraine has tremendous potential as a nation and an important role to play in the global supply of resources, goods, and services. We are committed to Ukraine and will continue to support the country, its development, and its people. In the immediate term, we pray for quick and peaceful resolutions to all outstanding conflicts.

We look forward to a unified, independent, democratic and prosperous Ukraine.

On behalf of the Board and management of Black Iron,

Bruce Humphrey, Chairman

BLACK IRON INC.