

Alderon Iron Ore Corp. 2018: Year of Revival and Re-positioning

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Dear Friends of [Alderon Iron Ore Corp.](#),

As the year comes to a close, Alderon has taken time to reflect on the significant events that have strengthened its commitment to its partners and communities, while the resilience of the iron ore price and grade premia continued to open up a window for financing of the high-grade Kami Project. The Company now turns its attention to the new year, in effort to secure financing and further advance the Kami Project towards production.

Iron Ore Revival

High-grade iron ore, of the type Alderon plans to produce out of its Kami Project, neared US\$100 per tonne in 2018, while the benchmark 62%-Fe grade iron ore traded around US\$65 per tonne. According to CRU – business intelligence on global metals, the premium for high-grade iron ore over the 62%-Fe benchmark price reached a new record of 45% in 2018. Alderon's view is that the peak is likely to be contained in the 20–30% range in the coming years as a bifurcated market becomes the norm. The shift in the market is driven by China's desire to curb pollution, by moving towards premium products with higher iron content and low levels of deleterious materials as part of their supply side reforms.

Company Developments and Milestones

2018 began with the return of Tayfun Eldem as President & CEO, and Director. Tayfun, who previously served in this role between 2011 and 2015, brings with him nearly 30 years of experience in the mining industry. He immediately executed a strategic plan to pursue financing required for the construction of the Kami Mine, which will bring significant economic impacts for Newfoundland and Labrador, Québec and all of Canada. The Company milestones achieved this year are as follows:

2018 Q1: [Altius Minerals Corp.](#) (“Altius”) increased its stake in Alderon and John Baker, Executive Chairman and co-founder of Altius, was reappointed to the Board of Directors.

Alderon re-established its office in Montreal and launched a French version of its website, as part of an initiative to better engage with a broader Canadian audience.

2018 Q2: Alderon and HBIS Group's executive team members engaged Chinese banking institutions on potential financing structures for the Kami Project. This successful China mission included a meeting with Hon. Siobhan Coady, Minister of Natural Resources for Newfoundland and Labrador, and a meeting hosted by the Canadian Ambassador to China, Hon. John McCallum, to discuss how the parties can collaborate further over the development of the Kami Project.

With the closing of the loan facility from Sprott Resource Lending and the repayment of the loan from Liberty Metals & Mining Holdings, Alderon reduced its overall, consolidated debt position and secured additional time to complete the project financing.

Mr. Rolland G. Morier, a veteran mining executive and finance professional, and Mr. Zhou Wei, an experienced commodities trader, were appointed to the Board of Directors, bringing with them their own

unique expertise and professional networks to the Alderon family.

2018 Q3: In preparation for the relaunch of the financing efforts, an updated feasibility study was completed confirming pre-tax US\$1.7 Billion NPV₈ and 24.6% IRR for the Kami Project.

2018 Q4: Alderon's Director Mr. Zhou (Wayne) Wei, succeeded Jeff Wang as President of HBIS Group Canada, and immediately engaged stakeholders in western Labrador and Sept-Îles, Québec.

Over in China, Chairman of HBIS Group (Alderon's strategic partner in the development of the Kami Project and China's second largest steelmaker), met with Newfoundland and Labrador Premier, Hon. Dwight Ball, during a mission to strengthen ties with stakeholders and discuss priorities for the Kami Project.

Financing

The premia garnered by the high-grade iron ore concentrates improves the Kami Project economics substantially and allows Alderon to re-enter the market and pursue financing. Capital markets are receptive to producing or substantially de-risked iron ore projects, such as Kami, and are starting to recognize the value of the Labrador Trough. Alderon and HBIS Group are focused on building capital with traditional and non-traditional sources, and are in ongoing discussions with representatives of various banks.

Looking Forward

Starting in the New Year, Alderon will formally kick-off its project financing efforts to raise the capital required to build the project. While its high-grade iron ore concentrates make Kami a rare development opportunity in the iron ore industry, the project also has its major permits in place and port and power agreements concluded. There is only one de-risking step left, being the completion of the financing.

One of the pleasures of the holiday season is having the opportunity to say thank you to Alderon's partners and stakeholders – HBIS Group, Altius, and the communities in Newfoundland and Labrador, and Québec, in which it plans to operate – for the support shown during the years taken to advance the Kami Project. Alderon remains steadfast in its determination to develop the Kami Project and, in doing so, create significant value for all of its stakeholders.

About Alderon Iron Ore Corp.

Alderon is a leading iron ore development company in Canada. The Kami Project, owned 75% by Alderon and 25% by HBIS Group through The Kami Mine Limited Partnership, is located within Canada's premier iron ore district, the Labrador Trough, and is surrounded by three producing iron ore mines. The Kami product will be shipped through a newly commissioned multi-user, deep-water berth near the Port of Sept-Îles in Québec.

For further information on the Kami Project please refer to the Technical Report entitled "Updated Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiasusset (Kami) Iron Ore Property, Labrador", dated effective September 26, 2018, that is available on SEDAR at www.sedar.com. The Technical Report was prepared under the supervision of Mr. Angelo Grandillo, P.Eng, of BBA, a Qualified Person as defined by NI 43-101, with contributions from Mr. Jeffrey Cassoff, P.Eng, of BBA, Mr. James Powell of Gemtec, Mr. Peter Merry of Golder and Mr. Kociumbas. Mr. Grandillo is a Qualified Person as defined by NI 43-101 and is independent of Alderon. Mr. Grandillo has reviewed and approved the technical information contained in this news release, being the results of the feasibility study.

For more information on Alderon, please visit our website at www.alderonironore.com.

ALDERON IRON ORE CORP.
On behalf of the Board
"Tayfun Eldem"
President & CEO, Director

Alderon is part of the King & Bay group of companies. King & Bay is a merchant bank that specializes in identifying, funding, developing and supporting growth opportunities in the resource, aviation, and technology sectors.

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Cautionary Note Regarding Forward-Looking Information

This press release contains "forward-looking information" within the meaning of the U.S. Private Securities Litigation Reform Act and Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this press release include, but are not limited to, statements with respect to (i) future demand for production from the Kami Project; (ii) the next steps in the development of the Kami Project; (iii) the completion of project financing; (iv) the market and future price of iron ore and related products; (v) the estimation of Mineral Resources and Mineral Reserves; and (vi) the results of the FS including statements about future production, future operating and capital costs, the projected IRR, NPV, payback period, construction timelines and production timelines for the Kami Project.

In certain cases, forward-looking information can be identified by the use of words 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" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this press release is based on certain factors and assumptions regarding, among other things, receipt of governmental and other approvals, the estimation of Mineral Resources, the realization of resource estimates, iron ore and other metal prices, the timing and amount of future development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Kami Project in the short and long-term, the progress of exploration and development activities, the ability of the Company to use the multi-user terminal facility at the Port of Sept-Îles, the receipt of necessary regulatory approvals, the estimation of insurance coverage, assumptions with respect to currency fluctuations and exchange rates, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Kami Project, risks relating to variations in Mineral Resources and Mineral Reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to the ability to access rail transportation, sources of power and port facilities, risks relating to changes in iron ore prices and the worldwide demand for and supply of iron ore and related products, risks related to increased competition in the market for iron ore and related products and in the mining industry generally, risks related to current global financial conditions, uncertainties inherent in the estimation of Mineral Resources and Mineral Reserves, access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licences and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Kami Project may not be available on satisfactory terms, or at all; risks related to disputes concerning property titles and interest, risks related to disputes with Indigenous governments and organizations, risks related to insufficient capacity being available for the Company to access the multi-user terminal facility at the Port of Sept-Îles, environmental risks and the additional risks identified in the "Risk Factors" section of the Company's Annual Information Form for the most recently completed financial year, or other reports and filings with applicable

Canadian securities regulators. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this press release. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information.

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