



Alderon Closes US\$14 Million Loan Facility with Sprott Resource Lending

July 12, 2018

(TSX: IRON)

MONTREAL, QUÉBEC, Alderon Iron Ore Corp. (TSX: IRON) ("Alderon" or the "Company") is pleased to announce that it and The Kami Mine Limited Partnership ("**Kami LP**") have closed a previously announced loan facility (the "**Loan Facility**") with Sprott Resource Lending ("**Sprott**"), a global leader in resource asset investments. Alderon used the funds received from the settlement with Newfoundland and Labrador Hydro, together with a portion of the US\$14 million Loan Facility to repay the Liberty Metals & Mining Holdings, LLC ("**LMM**") loan. The closing of the Sprott transaction comes as Alderon advances its updated Feasibility Study ("**FS**") scheduled for conclusion this fall. Upon completion, the updated FS is expected to demonstrate that the Kami Project is well-positioned to pursue project financing on account of improved project economics initially highlighted in the updated Preliminary Economic Assessment released on November 7, 2017.

"With the closing of the Sprott Loan Facility and the repayment of the loan from Liberty, Alderon is well positioned to complete its updated Feasibility Study and re-launch its project financing efforts," stated Tayfun Eldem, President and CEO of Alderon. "The replacement loan is an endorsement of the quality of the Kami Project and provides Alderon with the capital to execute the next steps in the development plan while allowing it to reduce its overall debt load."

The terms of the Loan Facility are:

- Principal amount of US\$14 million.
- Interest at 10% per annum, payable monthly.
- Original maturity date of December 31, 2019 (the "**Maturity Date**").
- The proceeds of the Loan Facility were advanced as a single draw on the closing date (the "**Closing Date**").
- The proceeds of the Loan Facility were used to repay the existing LMM loan and to reimburse Alderon for amounts that are pre-paid to LMM prior to closing.
- Alderon is acting as guarantor for the Loan Facility.
- Altius Minerals Corporation ("**Altius**"), through a wholly-owned subsidiary, participated in the Loan Facility by providing US\$2 million of the US\$14 million principal amount.
- As consideration for the establishment of the Loan Facility, Alderon issued 4,123,740 common shares ("**Common Shares**") to Sprott and 687,290 common shares to Altius.
- In the event that the Maturity Date is extended in accordance with the terms of the Loan Facility, an additional total of US\$350,000 in Common Shares shall be issued to Sprott and Altius on the Maturity Date and at a price per share equal to a 10% discount to the volume weighted average trading price on the TSX for the five trading days prior to the Maturity Date. United States dollar amounts shall be converted into Canadian dollars using the daily average exchange rate for the conversion of United States to Canadian dollars set by the Bank of Canada as at the business day immediately prior to the date of issuance of the Common Shares. The Common Shares shall be issued based on a ratio of 12/14th to Sprott and 2/14th to Altius.

Prior to the Closing Date, Altius held 51,838,916 Common Shares (representing 39% of the Company's current issued and outstanding Common Shares). After the Closing Date, Altius now holds 52,526,206

Common Shares (representing 37.98% of the Company's current issued and outstanding Common Shares).

About Sprott

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit www.sprottinc.com.

Sprott Resource Lending is a globally recognized leader in natural resource financing and specializes in providing flexible debt solutions to mining companies. Since joining Sprott, the team has financed more than \$1.0 billion in bespoke private debt investments. For more information, please visit www.sprottlending.com.

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 Co. Ltd. (formerly Hebei Iron & Steel Group Co. Ltd.) ("HBIS") through The Kami Mine Limited Partnership, is located within Canada's premier iron ore district, the Labrador Trough, and is surrounded by two producing iron ore mines. Its port handling facilities are located in Sept-Îles, the leading iron ore port in North America. HBIS is Alderon's strategic partner in the development of the Kami Project and China's second largest steel producer.

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

ALDERON IRON ORE CORP.

On behalf of the Board

"Tayfun Eldem"

Director & CEO



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; and (iv) the market and future price of iron ore and related products.

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, 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, 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 Aboriginal groups, 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.