

PREMIUM-GRADE KAMI IRON ORE PROJECT

Kami offers a differentiated product to supply an evolving market where its quality is projected to command a premium over benchmark prices and represents an exceptional value-in-use proposition for the steelmakers.

INVESTMENT HIGHLIGHTS

- ✓ China's drive to curb air pollution underpins continued demand for higher-grade product
- ✓ Ideal location in Canada's premier iron-ore district with secured access to low-cost utilities and transport
- ✓ Premium product with high-Fe content of 65.2% and ultra-low deleterious elements
- ✓ Permitted project with robust economics (USD):
 - \$1.7 billion NPV₈
 - Capex = \$982.41 million
 - 24.6% IRR
 - C1 cost = \$30.72/dmt (FOB)

ROAD TO PRODUCTION

Kami has been largely de-risked and all key permits remain in place

- ✓ Detailed engineering advanced to 50%
- ✓ Key processing equipment purchased
- ✓ Extensive flowsheet and product testing completed
- ✓ Port access agreement concluded
- ✓ Power purchase agreement concluded
- ✓ Rail access guaranteed
- ✓ Released from all Environmental Assessments
- ✓ Mining and surface leases secured
- ✓ Offtake agreement with HBIS for 60% of production
- ✓ Offtake agreement with Glencore for 40% of production
- ✓ Provincial benefits agreement concluded
- ✓ Municipal agreements concluded
- ✓ Indigenous agreements in place (2 out of 5)
- ✓ Bankable feasibility study updated
- **Financing plan under review; to be launched in Q4-2018**

Achieved



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The premium-quality Kami Iron Ore Project is located next to the mining towns of Labrador City, Wabush and Fermont, near the provincial border between Québec and Newfoundland and Labrador.

- In a mining hub and surrounded by three operating mines.
- 2.5km from a paved highway connecting the region to urban centers.
- 15.5km from transmission grid offering access to hydro electric power at very competitive rates.
- 14.5km from a common carrier railway with over 80 million tonnes of capacity.
- Linked via rail to a multi-user deep-water port providing year-round access to global markets.

Management

Tayfun Eldem, P.Eng.

President, CEO & Director

Kate-Lynn Genzel, CPA, CA

Chief Financial Officer

Gary Norris, BA

Executive VP Government & Community Affairs

Xinneng (David) Li, MBA, PhD

VP Asia Pacific Affairs

Olen Aasen, JD

Corporate Secretary

Board of Directors

Mark J. Morabito, BA, JD

Founder, Chairman

Tayfun Eldem, P.Eng.

Rolland G. Morier, MBA

Adrian Loader, MA

John Baker, Q.C.

David Porter, MBA

Zhou (Wayne) Wei

Dr. Andrew Furey, MD, FRCSC

Disclaimer

This fact sheet contains "forward-looking information" for information regarding these please visit: www.alderonironore.com/index.php/disclaimer. For further information on the Kami Project please refer to the Technical Report entitled "Updated Feasibility Study of the Kamistatusset (Kami) Iron Ore Property, Labrador" dated effective September 26, 2018 (the "Report"), that is available on SEDAR at www.sedar.com.

NI 43-101 Qualified Person: The technical information presented in this fact sheet is from the Report. The 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 Gemtec Limited and Watts, Griffis and McQuat. Mr. Grandillo is a Qualified Person as defined by NI 43-101 and Mr. Grandillo is independent of Alderon. Mr. Grandillo has reviewed and approved the technical information contained in the Report, with the exception of the mineral resource estimate. Mr. Michael Kociumbas, P. Geo. with independent firm, Watts, Griffis and McQuat Limited, is a Qualified Persons as defined by NI 43-101 and is responsible for reviewing and approving the mineral resource estimate and the QA/QC associated with the mineral resource estimate. Mr. Kociumbas is independent of Alderon.

SEPTEMBER 2018 FEASIBILITY STUDY HIGHLIGHTS

US\$1.7 billion NPV_{8%}
24.6% IRR*

Annual Production (65.2% Fe con)	7.84 Mtpa
Initial CAPEX	\$982.41 million
Cash operating cost (FOB) (\$/t of concentrate)	\$30.72/t
Capital Intensity	~\$125/t
Payback Period	4.0 years
Proven and Probable Mineral Reserves¹	517.2 Mt @ 28.8% TFe
Mine Life	23 years

*(PRE-TAX, US\$); Note 1: The Mineral Reserve estimate is effective as of August 12, 2018. The Proven and Probable Mineral Reserves presented in the table above are derived from the December 17, 2012 Mineral Resource estimate. Total Measured & Indicated Resources exclude Mineral Resources within the Mills Lake Deposit, and the Inferred Mineral Resources within the Rose Deposit.



**Strategic Partnerships with
Offtake Agreements
for 100% of Production**



GLENCORE

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Ticker: **TSX: IRON** 52 Week Hi/Lo: **C\$0.38/\$C0.21** Fully Diluted Shares: **~151M**

Market Cap: **C\$35M** Strategic Partners & Other Insiders: **~61%**

(As of November 2, 2018)