



RE-BOOTING THE PREMIUM QUALITY 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
- ✓ Shovel-ready 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 remains a shovel-ready project

- ✓ 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 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 (i) the press release of the Company dated September 26, 2018 (the "Press Release") and (ii) the Technical Report entitled "Update to the Re-Scoped Preliminary Economic Assessment of the Kamistiasusset (Kami) Iron Ore Property, Labrador" dated effective November 7, 2017, that are available on SEDAR at www.sedar.com.

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 above are derived from the December 17, 2012 Mineral Resource estimate. Only the Measured and Indicated Resources within the Rose Central and the Rose North Deposits have been considered in the updated FS and have been used for the estimation of Proven and Probable Mineral Reserves. The Mineral Resources within the Mills Lake Deposit have not been considered in the FS.



Labrador Trough provides Kami with low-cost access to utilities, transportation, and skilled labour

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\$39M** Strategic Partners & Other Insiders: **~61%**

(As of October 4, 2018)