

**ALDERON IRON ORE CORP.**

**MAJORITY VOTING IN DIRECTOR ELECTIONS**

As of March 29, 2017

The Board of Directors is committed to fulfilling its mandate to supervise the management of the business and affairs of Alderon Iron Ore Corp. (the “Corporation”) with the highest standards and in the best interests of the shareholders of the Corporation. The Board of Directors has, in light of best practice standards in Canada, unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of the Corporation’s shareholders where an “uncontested election” of directors is held. For the purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for directors is equal to the number of directors to be elected and that no proxy material is circulated in support of one or more nominees who are not part of the candidates proposed by the Corporation’s management and supported by the Board of Directors.

Pursuant to this policy, the forms of proxy circulated in connection with a meeting of the Corporation’s shareholders at which an uncontested election of directors is to be conducted shall provide the Corporation’s shareholders with the ability to vote in favour of, or to withhold from voting for, each director nominee. If the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such nominee (the “Subject Director”), the Subject Director shall be required to promptly submit his or her resignation to the Executive Chair of the Board of Directors following the applicable meeting of the Corporation’s shareholders.

Following receipt of a resignation submitted pursuant to this policy, the Nominating and Corporate Governance Committee of the Corporation (the “Governance Committee”) shall consider whether or not to accept the offer of resignation and shall recommend to the Board of Directors whether or not to accept it. With the exception of exceptional circumstances that would warrant the continued service of the Subject Director on the Board of Directors, the Governance Committee shall be expected to accept and recommend acceptance of the resignation by the Board of Directors. Within 90 days following the applicable meeting of the Corporation’s shareholders, the Board of Directors shall make its decision, on the Governance Committee’s recommendation and in making its decision the Board of Directors shall be required to accept the resignation of the Subject Director, absent exceptional circumstances. Following the Board of Directors’ decision on the resignation, the Board of Directors shall promptly disclose, via press release, their decision whether to accept the Subject Director’s resignation offer including the reasons for rejecting the resignation offer, if applicable. A copy of the press release shall be provided to the Toronto Stock Exchange (“TSX”). If a resignation is accepted, the Board of Directors may in accordance with the provisions of the Articles of the Corporation, as may be amended and/or supplemented from time to time, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board of Directors.

For the purposes of this policy exceptional circumstances may include:

- the Corporation would not be compliant with corporate or securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board of Directors as a result of accepting the Subject Director's resignation;
- the Subject Director is a key member of an established, active Special Committee which has a defined term or mandate (such as a strategic review) and accepting the resignation of such Subject Director would jeopardize the achievement of the Special Committee's mandate; or
- majority voting was used for a purpose inconsistent with the policy objectives of the Majority Voting Requirement set out in the TSX Policy Manual.

A Subject Director who tenders his or her resignation pursuant to this majority voting policy shall not be permitted to participate in any meeting of the Board of Directors and/or the Governance Committee, if he or she is a member of the Board of Directors and/or the Governance Committee, as applicable, at which his or her resignation is to be considered. However, if each member of the Governance Committee received a greater number of proxy votes withheld than the votes for each member in the same election, or a sufficient number of the Governance Committee members, such that the Governance Committee no longer has a quorum, then the remaining members of the Governance Committee, if any, shall not consider the resignation offer(s) and the Board of Directors shall consider whether or not to accept the offer of resignation without a recommendation from the Governance Committee.

In the event that a sufficient number of the Board of Director members received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board of Directors no longer has a quorum, then such Directors receiving a majority withheld vote shall not be permitted to vote in any meeting of the Board of Directors at which his or her resignation offer is considered, however he or she shall be counted for the purpose of determining whether the Board of Directors has quorum.

In the event that any Director, who received a greater number of proxy votes withheld than votes in favour of such Director's election, does not tender his or her resignation in accordance with this majority voting policy, he or she will not be re-nominated by the Board of Directors.

The Governance Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

Each of the current directors has agreed to abide by the provisions of this Policy and any subsequent candidate nominated by Management will, as a condition to such nomination, be required to abide by this Policy.