



MANDATE OF THE COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Compensation, Nominating and Corporate Governance Committee (the “Committee”) is a committee of the Board of Directors (“Board”) of Alderon Iron Ore Corp. (the “Company”) with the primary function to assist the Board in fulfilling its oversight responsibilities with respect to the following compensation, nominating and corporate governance matters:

Compensation Matters

- Reviewing and approving and then recommending to the Board salary or consulting fees, bonus, and other benefits, direct or indirect, and any change-of-control packages of the President and Chief Executive Officer and any other management individual at that level or above.
- Considering and if deemed appropriate approving, with or without revision, the recommendation of the President and Chief Executive Officer on the salary or consulting fees, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Company’s other officers.
- Reviewing compensation of the Board of on at least an annual basis.
- Administration of the Company’s compensation plans, including stock option plans, outside directors compensation plans, and such other compensation plans or structures as are adopted by the Company from time to time.
- Research and identification of trends in employment benefits.
- Establishment and periodic review of the Company’s policies in the area of Management benefits and perquisites based on comparable benefits and perquisites in the mining industry.

Nominating and Corporate Governance Matters

- Developing and updating a long-term plan for the composition of the Board.
- Ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board
- Monitoring conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics.

- In consultation with the Chairman of the Board and the President and Chief Executive Officer, annually or as required, recruiting and identifying individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meetings of shareholders.
- Conducting a periodic review of the Company's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness.
- Reviewing, monitoring and making recommendations regarding new director orientation and the ongoing development of existing Directors.

II. COMPOSITION AND MEETINGS

The Committee shall be comprised of at least three directors, the majority of whom shall be an "independent director" within the meaning of National Policy 58-201 *Corporate Governance Guidelines*. Pursuant to Canadian corporate governance guidelines, in order to be considered "independent", directors shall have no direct or indirect material relationship with the Company. A director shall be considered independent unless a reasonable person with knowledge of all relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder. Each Committee member shall also possess skills and/or experience that are relevant to the mandate of the Committee.

The members of the Committee shall be elected by the Board of Directors at the annual organizational meeting of the Board of Directors or until their successors are duly elected. Unless a Chairman of the Committee is elected by the full Board of Directors, the members of the Committee may designate a Chairman by majority vote of the full membership of the Committee.

The Committee may ask members of Management or others to attend meetings or to provide information as necessary. The Committee may, in its sole discretion, engage compensation consultants, independent legal counsel or other advisers (any of which, an "Adviser") at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities. Prior to selecting an Adviser, the Committee will take into consideration all relevant factors, including:

- the provision of other services to the Company by the Adviser (or, if applicable, his or her employer);
- the amount of fees received from the Company by the Adviser (or, if applicable, his or her employer) as a percentage of the total revenue of the Adviser (or, if applicable, his or her employer);
- the policies and procedures of the Adviser (or, if applicable, his or her employer) that are designed to prevent conflicts of interest;

- any securities of the Company owned by the Adviser (or, if applicable, his or her employer);
- any business or personal relationship of the Adviser with a member of the Committee; and
- any business or personal relationship of the Adviser with an executive officer of the Company.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine.

Meetings of the Committee shall be held from time to time as the Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

III. RESPONSIBILITIES AND DUTIES

Responsibilities and duties of the Committee include:

Compensation Matters

1. Annually reviewing and revising this Mandate as necessary with the approval of the Board.
2. Providing periodic reports to the Board on compensation matters.
3. Annually reviewing and making recommendations to the Board upon the recommendation of the President and Chief Executive Officer with respect to the Company's overall compensation and benefits philosophies and programs for the Chief Financial Officer, the Chief Operating Officer and other officers, including base salaries or consulting fees, bonus and any incentive plans, deferred compensation and share purchase or issuance plans including stock options. As part of its review process, the Committee may review peer group and other mining industry compensation data reported through surveys and other sources.
4. Annually reviewing and making recommendations to the Board with respect to the Company's compensation and benefit programs for the President and Chief Executive Officer, including base salary or consulting fees, bonus or other performance incentives and stock options. In setting the President and Chief Executive Officer's salary or consulting fees, the Committee will take into consideration salaries or consulting fees paid to chief executive officers in the mining industry. The President and Chief Executive Officer's contribution towards the Company's achievement of business goals

and objectives for the previous financial year will form the basis for the Committee's recommendations concerning bonus or other performance recognition awards.

5. In consultation with the President and Chief Executive Officer, reviewing and making recommendations to the Board with respect to the implementation or variation of stock option, share purchase plans and compensation and incentive plans. The number of options granted will give consideration to the potential contribution an individual may make to the success of the Company.
6. The Committee shall prepare a report on Executive Compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable securities laws and ensure that it reviews all executive compensation disclosure before it is publicly disclosed.
7. The Report on Executive Compensation should describe the process undertaken by the Committee and should speak specifically to the weighting factors and target levels set out in the determination of the executive's compensation. Where there are no clearly pre-established targets or payout ranges, the Report on Executive Compensation should clearly indicate this fact.
8. The Committee is responsible for reviewing and recommending to the Board the compensation of the Board of Directors including annual retainer, meeting fees, option grants and other benefits conferred upon the Board.
9. The Committee is responsible for viewing and submitting to the Board as a whole, recommendations concerning executive compensation and compensation plan matters. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will have the responsibility to instruct management to implement the directives.

Nominating and Corporate Governance Matters

1. The Committee shall develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Company, and report to the Board thereon at least annually. The Committee shall undertake on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board.
2. The Committee, in consultation with the Chair, shall endeavour to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties. These evaluations should take into account the

competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

3. The Committee shall monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics.
4. The Committee shall carry out the following duties with respect to annual nominations:
 - a. Based on the guidelines referred to in this Mandate, the Committee shall, in consultation with the Chairman of the Board and the President and Chief Executive Officer, annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meetings of shareholders.
 - b. The Committee shall also, in consultation with the Chairman of the Board, annually or as required, recommend to the Board, the individual Directors to serve on the various Committees.
 - c. In making its recommendations, the Committee shall consider the competencies and skills that the Board considers to be necessary to the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member.
 - d. The Committee may also recommend for Board approval the removal of a director from the Board or from a Board Committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate
5. The Committee shall carry out the following duties with respect to the review of the Company's corporate governance policies.
 - a. The Committee shall conduct a periodic review of the Company's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a Committee thereof.
 - b. The Committee shall review the disclosure in the Company's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board.

- c. The Committee shall propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board.
 - d. The Committee shall conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner.
6. The Committee shall review, monitor and make recommendations regarding new director orientation and the ongoing development of existing Directors.

IV. NO RIGHTS CREATED

This Mandate is a statement of broad policies and its intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles, it is not intended to establish any legally binding obligations.

Dated: June 18, 2015