

ALDERON IRON ORE CORP.

WHISTLEBLOWER POLICY

As of February 1, 2012, Revised December 14, 2012

Alderon Iron Ore Corp. (“**Alderon**”) is a company rooted in values. We continuously strive to foster a work environment that puts a premium on creativity, innovation, commitment, entrepreneurship, initiative, judgment, discipline, leadership, perseverance, determination, professionalism, integrity and – most importantly – respect for others. These shared values are at the very heart of our success. As a fair-dealing corporate citizen concerned with our standing in the community and the quality of our employees, we are also a strong believer that unethical behaviour can seriously undermine the efforts of all our employees to keep building a company we are proud of.

Our Code of Business Conduct and Ethics (the “**Code**”) is aimed at helping us respect existing laws and regulations, and properly guiding our actions that flow from business decisions, in which good judgment is required. This policy complements the procedures in the Code to deal with certain issues and concerns that may arise from time to time.

In accordance with Canadian and United States securities laws, Alderon has adopted the following procedures to facilitate the submission, on a confidential and anonymous basis, of complaints, reports and concerns by any person regarding (i) accounting, internal accounting controls, or auditing matters, (ii) actual or potential violations of laws, rules or regulations, and (iii) other suspected wrongdoing, including in connection with the Code.

1. Scope

This policy applies to directors, officers, consultants and employees of Alderon (“**Personnel**”).

2. Policy

This policy addresses Alderon’s commitment to integrity and ethical behaviour. This policy sets out the procedures for Personnel (“**Whistleblower**”) to make a good faith complaint (“**Complaint**”):

- about suspected Alderon or Personnel violations of law or violations of Alderon’s policies or the Code including, without limitation, a conflict of interest, a breach of applicable law, regulations or rules or what appears to be unethical, fraudulent or other illegal behaviour on the part of a colleague; or
- regarding accounting, internal accounting controls or auditing matters (“**Accounting and Control Matters**”) that may lead to incorrect, or misrepresentations in, financial accounting, including:

- alleged fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- alleged fraud or deliberate error in the recording and maintaining of financial records of the Company;
- alleged deficiencies in or noncompliance with the Company's internal accounting controls;
- alleged misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- alleged deviation from full and fair reporting of the Company's financial condition.

3. Safeguards

Protection of Whistleblowers

Consistent with the policies of the Company, any employee, officer, director or consultant may submit a good faith Complaint without fear of dismissal or retaliation of any kind. The Board of Directors, the Audit Committee and the Company's management will not retaliate or attempt to retaliate, and will not tolerate any retaliation or attempted retaliation by any other person or group, directly or indirectly, against anyone who, in good faith, makes a Complaint, reports violations of this Code or provides assistance to the Audit Committee or the Company's management or any other person or group, including any governmental, regulatory or law enforcement body, investigating or otherwise helping to resolve any Complaint.

Harassment or Victimization

Harassment, discharge, demotion, suspension or victimization of or threats (collectively, "**Employment Issues**") made to the Whistleblower will not be tolerated. Wrongdoers will be disciplined consistent with the severity of the misconduct.

Confidential and Anonymous Reports by Employees

Personnel are expressly authorized to make Complaints regarding Accounting and Control Matters and breach of the Code using the procedures described below on a confidential or anonymous basis. All such Complaints received from Personnel will be treated confidentially or anonymously, as applicable, to the extent reasonable and practicable under the circumstances.

Disciplinary Action

Whistleblowers making Complaints not in good faith may face disciplinary action consistent with the severity of the matter.

4. Reporting Procedures

- (a) All Complaints relating to Accounting and Control Matters, unethical or illegal conduct should be directed to the Audit Committee's Chairman (the "**Complaints Officer**").
- (b) All Complaints concerning violations of the Code or other illegal behaviour should be reported in accordance with the Code or to the Complaints Officer.
- (c) All Complaints concerning Employment Issues should be reported to the Complaints Officer.
- (d) If you wish to make a Complaint, Alderon has engaged an independent company, Ethicspoint, to receive confidential reports by telephone or via the internet. You may make a report to the call centre, which is open 24 hours a day, 7 days a week, at 1-888-878-4408. Alternatively, you can make an on-line report at: www.alderonironore.ethicspoint.com. Ethicspoint will promptly deliver a copy of the report to the Complaints Officer.
- (e) A Whistleblower is not expected to prove the truth of an allegation, but must demonstrate to the person contacted that there are sufficient grounds for concern.

How the Complaint will be Handled

1. All reports will be dealt with promptly. Initial inquiries will be made to determine if an extensive investigation is appropriate, and the form it should take. Some concerns may be resolved by agreed action without the need for investigation. Appropriate corrective action will be taken if warranted by the investigation. The Audit Committee will determine the proper treatment for all Complaints related to Accounting and Control Matters and breaches of the Code. Such Complaints will be forwarded by the Audit Committee to the person deemed appropriate for the investigation. The Audit Committee will determine if an outside investigator should be retained. The Complaints Officer will determine the proper treatment for all Complaints related to Employment Issues.
2. The Complaints Officer will provide the Audit Committee quarterly or more often as may be required by the relevant Audit Committee:
 - (a) A summary of the number and category of Complaints;
 - (b) A report on each Complaint including the results of investigations and actions taken.
3. The Chairman of the Audit Committee will retain copies of all Complaints, results of investigations, if any, and reports for a period of seven years. Investigation details and a final report must be retained by the department that performed the investigation.

4. Certain reports may be reported periodically in summary format only if the Chairman of the Audit Committee believes that the Complaints fall into one or more of the following categories:
 - (a) Complaints that have no supporting details and which are clearly issued in bad faith;
 - (b) Complaints which are so vague that conducting an investigation would be impossible or impractical;
 - (c) Complaints that are so small that they would not impact the financial reporting process (for example, a small theft of petty cash by a non-management employee).
5. All reports will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
6. The Audit Committee will be free in its discretion to engage outside auditors, counsel or other experts to assist in the evaluation of any results of any investigation into a Complaint regarding Accounting and Control Matters, and Alderon will pay all fees of such auditors, counsel and experts.

Report to Whistleblower

Whistleblowers will be informed, in general terms (to avoid revealing confidential information), about the investigation outcome.