



Sprott US\$14 Million Loan Facility Positions Alderon's High-Grade Iron Ore Kami Project for Continued Re-Boot

June 21, 2018

(TSX: IRON)

MONTREAL, QUÉBEC, Alderon Iron Ore Corp. (TSX: IRON) ("Alderon" or the "Company") is pleased to announce that it and The Kami Mine Limited Partnership ("Kami LP") have entered into an agreement with Sprott Resource Lending ("Sprott"), a global leader in resource asset investments, for a US\$14 million loan facility (the "Loan Facility"). The Loan Facility will provide sufficient funds to repay the loan due to Liberty Metals & Mining Holdings, LLC ("LMM") and provide additional runway for Alderon to continue the re-boot for the Rose Deposit of the Kamistiatusset Iron Ore Property (the "Kami Project") in western Labrador. This transaction with Sprott comes as Alderon advances an Updated Feasibility Study scheduled for conclusion this fall. Upon completion, the Updated Feasibility Study is expected to demonstrate that the Kami Project is well-positioned to pursue project financing on account of the improved project economics highlighted in the Updated Preliminary Economic Assessment released November 7, 2017.

"We recognize and greatly appreciate the confidence and support shown by Sprott in providing this financing. We are pleased to be working with the Sprott team as we continue the re-boot of the Kami Project, which will ultimately benefit all of its stakeholders, including the many local and regional interests," stated Tayfun Eldem, President and CEO of Alderon. "The loan from Sprott will allow Alderon to reduce its overall debt position and provide an extended bridge to the completion of project financing."

The US\$14 million Loan Facility has an initial term of 18-months, maturing on December 31, 2019 (the "Maturity Date"). The Loan Facility may be extended for an additional six-month period subject to the satisfaction of certain conditions. Altius Minerals Corporation ("Altius"), through a wholly-owned subsidiary, will be participating in the Loan Facility by providing US\$2 million of the US\$14 million principal. The proceeds of the Loan Facility will be advanced to the Kami LP and Alderon is acting as guarantor for the Loan Facility. The proceeds of the Loan Facility will be advanced as a single draw on the closing date. The Loan Facility shall bear interest at 10% per annum, payable monthly. The proceeds of the Loan Facility will be used to repay the existing LMM credit facility and to reimburse Alderon for amounts that are pre-paid to LMM prior to closing.

The terms of the Loan Facility also require the issuance by Alderon of a total of US\$1,050,000 in common shares ("Common Shares") to Sprott and Altius on the closing date (the "Closing Date"). The price per Common Share shall be equal to a 10% discount to the lesser of the volume weighted average trading price on the Toronto Stock Exchange ("TSX") for the five trading days prior to (A) May 7, 2018; and (B) the Closing Date. In the event that the Maturity Date is extended in accordance with the terms of the Loan Facility, an additional total of US\$350,000 in Common Shares shall be issued to Sprott and Altius on the Maturity Date and at a price per share equal to a 10% discount to the volume weighted average trading price on the TSX for the five trading days prior to the Maturity Date. United States dollar amounts shall be converted into Canadian dollars using the daily average exchange rate for the conversion of United States to Canadian dollars set by the Bank of Canada as at the business day immediately prior to the date of issuance of the Common Shares. The Common Shares shall be issued based on a ratio of 12/14th to Sprott and 2/14th to Altius.

The closing of the Loan Facility is subject to the receipt of all regulatory, stock exchange and other third-party approvals, and satisfaction of other customary closing conditions.

“Alderon’s Kami Project has the potential to create meaningful value for the steel industry by modernizing and increasing the transparency of the supply chain,” stated Narinder Nagra, Managing Partner of Sprott. “As one of the largest investors dedicated to the natural resource sector, Sprott is excited to partner with Alderon on the reboot of Kami.”

Altius currently holds 51,838,916 Common Shares (representing 39% of the Company’s current issued and outstanding Common Shares). After the closing of Loan Facility, Altius will be issued additional Common Shares as detailed above. However, the exact amount will not be determined until the Closing Date and will be disclosed at that time. The Loan Facility was approved by the Company’s Board of Directors; however, Altius’ nominee (Mr. John Baker) declared his interest in the transaction and did not participate in the approval process for the Loan Facility.

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), Altius’s participation in the Loan Facility constitutes a "related party transaction" as Altius is a related party of the Company. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 on the basis that at the time Altius’s participation in the Loan Facility was agreed to, the fair market value of the Loan Facility insofar as it involves Altius did not exceed 25% of the Company’s market capitalization. The Common Shares that will be acquired by Altius will be acquired pursuant to an exemption from the prospectus requirement in section 2.3 of National Instrument 45-106.

The Company did not file a material change report more than 21 days before the expected closing of this transaction, as the details of the transaction were not finalized until the present and the Company wishes to close the transaction as soon as practicable for sound business reasons, including lowering the Company’s overall debt obligations and improving the Company’s financial position.

About Sprott

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit www.sprottinc.com.

Sprott Resource Lending is a globally recognized leader in natural resource financing and specializes in providing flexible debt solutions to mining companies. Since joining Sprott, the team has financed more than \$1.0 billion in bespoke private debt investments. For more information, please visit www.sprottlending.com.

About Alderon Iron Ore Corp.

Alderon is a leading iron ore development company in Canada. The Kami Project, owned 75% by Alderon and 25% by HBIS Group Co. Ltd. (formerly Hebei Iron & Steel Group Co. Ltd.) (“HBIS”) through The Kami Mine Limited Partnership, is located within Canada’s premier iron ore district, the Labrador Trough, and is surrounded by two producing iron ore mines. Its port handling facilities are located in Sept-Îles, the leading iron ore port in North America. HBIS is Alderon’s strategic partner in the development of the Kami Project and China’s second largest steel producer.

For more information on Alderon, please visit our website at www.alderonironore.com.

ALDERON IRON ORE CORP.
On behalf of the Board
"Tayfun Eldem"
Director & CEO



Alderon is part of the King & Bay group of companies. King & Bay is a merchant bank that specializes in identifying, funding, developing and supporting growth opportunities in the resource, aviation, and technology sectors.

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Cautionary Note Regarding Forward-Looking Information

This press release contains "forward-looking information" within the meaning of the U.S. Private Securities Litigation Reform Act and Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this press release include, but are not limited to, statements with respect to (i) the closing of the Loan Facility; (ii) future demand for production from the Kami Project; (iii) the next steps in the development of the Kami Project; (iv) the completion of project financing; and (v) the market and future price of iron ore and related products.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this press release is based on certain factors and assumptions regarding, among other things, receipt of governmental and other approvals, the estimation of mineral resources, the realization of resource estimates, iron ore and other metal prices, the timing and amount of future development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Kami Project in the short and long-term, the repayment of the secured note held by Liberty Metals & Mining Holdings LLC that is due December 31, 2018 (the "Liberty Note"), the progress of exploration and development activities, the ability of the Company to use the multi-user terminal facility at the Port of Sept-Îles, the receipt of necessary regulatory approvals, the estimation of insurance coverage, assumptions with respect to currency fluctuations and exchange rates, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Kami Project, risks relating to variations in mineral resources, grade or recovery rates resulting from current exploration and development activities, risks relating to the ability to access rail transportation, sources of power and port facilities, risks relating to changes in iron ore prices and the worldwide demand for and supply of iron ore and related products, risks related to increased competition in the market for iron ore and related products and in the mining industry generally, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licences and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Kami Project may not be available on satisfactory terms, or at all, the risk that funds are not available to repay the Liberty Note; risks related to disputes concerning property titles and interest, risks related to disputes with Aboriginal groups, risks related to insufficient capacity being available for the Company to access the multi-user terminal facility at the Port of Sept-Îles, environmental risks and the additional risks identified in the "Risk Factors" section of the Company's Annual Information Form for the most recently completed financial year, or other reports and filings with applicable Canadian securities regulators. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this press release. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information.