



**Alderon Announces Results of its Updated Feasibility Study Demonstrating
US\$1.7 Billion NPV at 8% discount rate and 24.6% IRR (Pre-Tax)
for the Premium-Quality Kami Iron Ore Project**

September 26, 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 ("The **Kami LP**") have received the results of the updated Feasibility Study ("**FS**") on the Rose Deposit of the Kamistatusset ("**Kami**") Iron Ore Project in western Labrador. The updated FS was completed by BBA Inc. ("**BBA**"), located in Montreal, Québec. The updated FS once again demonstrates the strong economics of the Kami Project which will produce a premium-quality iron ore concentrate with higher Fe content and ultra-low impurities relative to the 62%-Fe grade benchmark. Coupled with the sustained demand for high-grade iron ores, the robust project economics form the foundation of Alderon's relaunch of its project financing efforts.

The Technical Report (the "**Report**") summarizing the results of the updated FS and prepared in accordance with National Instrument ("**NI**") 43-101 will be filed on SEDAR and Alderon's website within 45 days of this news release. The results of the updated FS are based on 100% ownership of the Kami Project. The Kami Project is held through The Kami LP, as to 75% by Alderon and 25% by HBIS Group Co. Ltd. ("**HBIS**"). The results of the updated FS disclosed in this news release are expressed in US Dollars and pre-tax (except where otherwise indicated).

Highlights of the updated September 2018 FS include:

NPV at 8% discount rate	\$	1,698 M
IRR		24.6%
Projected Years to Payback		4.0 years
Total Estimated Capital Cost (excluding sustaining capital and closure costs)	\$	982.41 M
Average Estimated Operating Costs (loaded in ship Port of Sept-Îles)	\$/dmt	30.72
CFR Concentrate Sales Price Forecast - based on three year trailing average CFR benchmark price of \$63.30/dmt @ 62% Fe, adjusted for Kami Fe grade, and HBIS and Glencore agreement terms	\$/dmt	CFR \$89.67 (FOB \$73.17)
Estimated Mine Life		23 years
Final Product Iron Grade (%Fe)		65.2%
Measured and Indicated Resource of the Rose Deposit (COG=15%, 29.6% Total Fe)		1,093.2 Mt
Proven and Probable Mineral Reserves (COG=15%, 28.8% Total Fe, 3.4% Dilution, 2.5% Ore Loss)		517.2 Mt
Annual Concentrate Production Rate (average life of mine, post ramp-up year)		7.84 Mtpa

All of the planned production from the Kami Project has been pre-sold under the terms of off-take agreements with HBIS and a subsidiary of Glencore plc. The FOB concentrate sales price used in the financial analysis in the updated FS reflects the terms of these off-take agreements. Further details regarding the concentrate sale price are set out below in this news release.

“The updated FS is the final de-risking event prior to project finance that can be added to Alderon’s achievements, which include release from the Federal and Provincial environmental assessments, agreements for Power Purchase with Newfoundland and Labrador Hydro and for ship-loading services with Port of Sept-Îles, off-take agreements for 100 per cent of production, and a strategic partnership with HBIS,” stated Tayfun Eldem, President and CEO of Alderon.

“China’s drive to curb air pollution has led to significant steel sector restructuring and supply side reforms resulting in a steady demand for higher-grade and lower-impurity ores as steelmakers strive to lower emissions and boost blast furnace efficiency. The projected quality of Kami concentrates with 65.2% Fe-grade and ultra-low levels of alumina and phosphorus is perfectly positioned to meet the needs of Chinese steelmakers and serve as a sweetener for the base load of lower-grade ores from Australia,” explained Mr. Eldem.

“Timing of this milestone for Alderon cannot be better as it brings us closer to advancing the premium-grade iron ore project into production, at a time when high-grade material is selling at a strong premium,” stated Mark Morabito, Chairman of Alderon.

Financial Analysis

IRR		24.6%
Payback		4.0 years
Discount Rate		NPV
		(Million \$)
0%	\$	5,616
5%	\$	2,626
8%	\$	1,698
10%	\$	1,270

Total capital expenditures (including contingency) are estimated at \$982.4 million. The capital cost estimate excludes closure costs and sustaining capital, which are expected to be in the order of \$42.7 million and \$449.1 million respectively for the life of the project. These costs are included in the financial analysis for the project. The updated FS capital cost estimate is based on an EPC (Engineering, Procurement and Construction) project execution strategy. The EPC portion of the total capital costs is estimated at \$900.74 million. This was developed in collaboration with Duro Felguera (DF), which is a potential provider of EPC services to the project should The Kami LP decide to proceed with this project execution strategy.

On a post-tax basis, the updated FS shows an NPV of \$866 million at a cash flow discount rate of 8%. The post-tax IRR for the project is 18.2% and the payback period is 4.9 years.

Summary of Estimated Initial Capital Costs (Million \$)		
Mining	\$	72.20
Mineral Processing Area	\$	302.81
TMF Area (Initial Dykes)	\$	23.66
Site Infrastructure and Utilities	\$	309.90
Other EPC Costs (Indirects, Guaranties, Insurance)	\$	192.17
TOTAL EPC COSTS	\$	900.74
Pre-Operational Capitalized Costs	\$	26.90
Owner's Costs	\$	30.98
Mine (Waste Rock Pre-Stripping by Kami)	\$	23.79
TOTAL	\$	982.41

The updated FS assumes a Concentrate CFR selling price of \$89.67/tonne. This price was calculated at a reference date of June 26, 2018, using the 3-year trailing average price of \$63.30/tonne for the Platts IODEX 62% Fe, CFR North China, adding the spot Fe premium of \$27.52/tonne and applying the discounts and premiums allowed by the HBIS and Glencore agreements (60% HBIS - 40% Glencore). The final price of concentrate loaded in ship (FOB) at Port of Sept-Îles assumed in the financial analysis is \$73.17/tonne. The final price is determined after applying shipping costs estimated at \$16.50/tonne.

Average life-of-mine ("**LOM**") operating costs are estimated at \$30.72/tonne of concentrate. During the life of the project, leased equipment are replaced as they reach the end of their service life and these replacement costs are capitalized and reflected as part of the sustaining capital expenditures. Average LOM operating costs are based on the following:

Summary of Estimated Average LOM Operating Costs (\$/t of concentrate)		
Mining (including mining equipment leasing costs)	\$	11.25
Mineral Processing	\$	5.72
General Site	\$	0.50
General Administration	\$	2.26
Environmental & Tailings Management	\$	0.37
Rail Transportation and Port Services (including railcar leasing costs)	\$	10.62
TOTAL	\$	30.72

Mineral Resources

The Mineral Resources and Proven and Probable Mineral Reserves are reported in accordance with Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves and their Guidelines, and are prepared in accordance with NI 43-101.

The Mineral Resource estimate for the Kami Project is set out below. Mr. Michael Kociumbas, P.Geo is a Qualified Person as defined by NI 43-101 and is responsible for reviewing and approving this Mineral Resource estimate and the QA/QC associated with the estimate. He has verified, reviewed and approved the technical data contained in this news release and underlying sampling, analytical and test data. The Mineral Resource estimate has been prepared using a 15% Total Fe cut-off grade, is effective December 17, 2012 and inclusive of Mineral Reserves.

Zone	Category	Tonnes (Million)	TFe%	MagFe%	HemFe%
Rose Central	Measured	249.9	29.4	17.6	8.1
	Indicated	294.5	28.5	17.7	5.9
	Total M&I	544.4	28.9	17.7	6.9
	Inferred	160.7	28.9	16.9	7.1
Rose North	Measured	236.3	30.3	13.0	14.7
	Indicated	312.5	30.5	11.8	17.1
	Total M&I	548.8	30.4	12.3	16.1
	Inferred	287.1	29.8	12.5	15.5
Mills Lake	Measured	50.7	30.5	21.5	7.0
	Indicated	130.6	29.5	20.9	3.9
	Total M&I	181.3	29.8	21.1	4.8
	Inferred	74.8	29.3	20.3	2.7

MagFe% = percentage of the Fe present as magnetite;

HemFe% = percentage of the Fe present as hematite.

The Mineral Resource estimate for the Kami Project was completed in Gemcom™ using block sizes of 15 m x 15 m x 14 m for Rose Central and Rose North and 5 m x 20 m x 5 m for Mills Lake and is based on results from 209 diamond drill holes at Rose Central and Rose North (170 holes) and Mills Lake (39 holes) zones totaling 62,247 m. These holes were drilled within the iron mineralization for approximately 2,000 m of strike length and a range of 200 to 400 m of width for Rose Central and Rose North. The holes were drilled on section lines that were spaced 100 m apart for both deposits in the main area of mineralization. For the geological modelling, 3-D bounding boxes defining the maximum extents of the Rose and Mills Lake deposit areas were created. The boxes extended approximately 200 m along strike from the outermost drill holes in each area. Mineralized boundaries extended up to a maximum of about 400 m on the ends of the zones and at depth where there was no/little drill hole information, but only if the interpretation was supported by drill hole intersections on adjacent cross sections or by solid geological inference.

Proven and Probable Mineral Reserves

The mining engineering work performed for this updated FS was based on the 3-D block model provided by Alderon. Pit optimizations were performed on the Measured and Indicated Resources and the pit shell that resulted in the maximum discounted NPV was selected as a guide for the pit design. The final Mineral Reserves were estimated after applying engineering and operational design parameters and include mining dilution and ore losses. BBA is of the opinion that the Mineral Reserve estimate derived in this updated FS reasonably quantifies the economical ore mineralization of the Rose Deposit. The Mineral Reserve estimate is effective as of August 12, 2018. The Proven and Probable Mineral Reserves presented in the table below are derived from the December 17, 2012 Mineral Resource estimate set out above. 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.

Material	Tonnes (Millions)	TFe%	WREC%	MagFe	MAG%
Proven Mineral Reserve	392.7	29.0	34.7	15.0	20.8
Probable Mineral Reserve	124.5	28.2	32.0	11.1	15.3
Total Mineral Reserve	517.2	28.8	34.1	14.1	19.4

TFe = total Fe grade; WREC% = the weight recovery; MagFe = Fe present as magnetite;
MAG% = the percentage of magnetite in the Proven and Probable mineral reserves.

Project Summary

The updated FS is based on the same mineral processing flowsheet as the previous technical reports including the 2012 FS. The major infrastructure required to support the Kami Project, as stated in the updated FS, includes the following components:

- Mining of the Rose open pit and adjacent crushing plant at the Kami mine area.
- Crushed ore conveyed from the crusher to the crushed ore stockpile, ahead of the concentrator, to the east of the Waldorf crossing.
- Concentrator consisting of autogenous grinding, gravity and magnetic separation and dewatering and utilizing the autogenous and ball mills that already have been procured.
- Tailings disposal in the designated area on the Kami Project, in the location which was identified during the 2012 FS. In this updated FS, the Tailings Management Facility (TMF) and tailings deposition plan have been redesigned to conform to current industry standards and in accordance with the Canadian Dam Association Dam Safety Guidelines.
- Concentrate load-out located at the new Kami rail loop, connecting to the QNS&L main rail line by way of a new railway constructed as part of the Kami Project.
- Rail transportation of concentrate from the Kami rail loop to the common port terminal facilities at Pointe Noire near Sept-Îles, Québec (owned and operated by third parties).
- Ship-loading services provided by Port of Sept-Îles.
- Electrical power supplied by Newfoundland and Labrador Hydro ("NLH") based on the terms set out in the power purchase agreement between NLH and The Kami LP.

Project Schedule

Prior to construction commencing, the Company intends to re-assemble the owner's team, award an EPC or EPCM contract, resume detailed engineering, and have construction financing in place. Construction is expected to last 26 months.

Technical Report and Qualified Person

A NI 43-101 Technical Report is being prepared under the supervision of Mr. Angelo Grandillo, P.Eng, of BBA, a Qualified Person as defined by NI 43-101, with contributions from Mr. Jeffrey Cassoff, P.Eng, of BBA, Mr. James Powell of Gemtec, Mr. Peter Merry of Golder and Mr. Kociumbas. Mr. Grandillo is a Qualified Person as defined by NI 43-101 and is independent of Alderon. Mr. Grandillo has reviewed and approved the technical information contained in this news release, with the exception of the Mineral Resource estimate which was reviewed and approved by Mr. Kociumbas and the Mineral Reserve estimate which has been reviewed and approved by Mr. Jeffrey Cassoff, as noted above. Mr. Grandillo has verified all the data underlying the technical information disclosed in this news release.

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 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"

President & CEO, Director



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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) future demand for production from the Kami Project; (ii) the next steps in the development of the Kami Project; (iii) the completion of project financing; (iv) the market and future price of iron ore and related products; (v) the estimation of Mineral Resources and Mineral Reserves; and (vi) the results of the FS including statements about future production, future operating and capital costs, the projected IRR, NPV, payback period, construction timelines and production timelines for the Kami Project.

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 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 and Mineral Reserves, 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 and Mineral Reserves, 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; risks related to disputes concerning property titles and interest, risks related to disputes with Indigenous governments and organizations, 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.