

**SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF The Kami Mine
Limited Partnership, Kami General
Partner Limited, and Alderon Iron
Ore Corp.

AND IN THE MATTER of the
Bankruptcy and Insolvency Act, RSC
1985, c B-3, as amended

Estate No.
Court No.

AFFIDAVIT OF NARINDER NAGRA

I, Narinder Nagra, of Vancouver, British Columbia, make oath and say as follows:

Introduction

1. I am a Managing Partner employed by Sprott Private Resource Lending (Collector), LP ("**Lender**"), the applicant creditor herein and as such have personal knowledge of the matters deposed to, except where stated to be based on information and belief, in which case I verily believe the same to be true.
2. I have reviewed the business records of the Lender relevant to the Lender's application seeking the appointment of a receiver and manager over all of the assets, undertakings, and property of The Kami Mine Limited Partnership ("**Kami LP**"), Kami General Partner Limited ("**Kami GP**"), and Alderon Iron Ore Corp. ("**Alderon**", collectively with Kami LP and Kami GP, the "**Credit Parties**") and have satisfied myself that I am possessed of sufficient information and knowledge to swear this affidavit on behalf of the Lender. I am authorized by the Lender to make this affidavit.

The Parties

3. The Lender is a limited partnership existing pursuant to the laws of Ontario, carrying on business across Canada, including in Newfoundland and Labrador.
4. Kami LP is a limited partnership existing pursuant to the laws of Ontario. A copy of a Limited Partnerships Report from the Ontario Ministry of Government Services in respect of Kami LP is attached as **Exhibit "1"**.
5. Kami GP is a corporation incorporated pursuant to the laws of Ontario. A copy of a Corporate Profile Report from the Ontario Ministry of Government Services in respect of Kami GP is attached as **Exhibit "2"**.
6. Alderon is a corporation incorporated under the laws of British Columbia. A copy of a BC Company Summary from the BC Registry Services in respect of Alderon is attached as **Exhibit "3"**.
7. HBIS International Holdings (Canada) Co., Ltd. ("**HBIS**") is a limited partner of Kami LP.
8. Kami LP is involved in the development of an iron ore development project located on the Kamistiatusset property in Newfoundland and Labrador (the "**Mining Project**").

Loan Agreement

9. Pursuant to a credit agreement dated June 20, 2018 among Kami LP, as borrower, Kami GP and Alderon, as guarantors, and the Lender, as lender ("**Loan Agreement**"), the Lender made available to Kami LP a senior secured non-revolving single advance reducing term credit facility in an amount equal to USD\$14,000,000 ("**Term Loan**"). A copy of the Loan Agreement is attached as **Exhibit "4"**.
10. The purpose of the Term Loan was to refinance certain existing outstanding indebtedness in relation to the Mining Project.

11. Kami LP further provided the Lender with a promissory note dated July 10, 2018, wherein Kami LP unconditionally promises to pay to the Lender the principal sum of USD\$14,000,000 in accordance with the terms of the Loan Agreement ("**Promissory Note**", collectively with the Loan Agreement, "**Loan Documents**"). A copy of the Promissory Note is attached as **Exhibit "5"**.

Guarantees

12. To further secure repayment of amounts owing to the Lender, pursuant to a guarantee dated July 10, 2018 ("**Guarantee**", collectively with the Loan Documents, "**Credit Documents**"), Kami GP and Alderon guaranteed to the Lender, jointly and severally, payment on demand of all present and future indebtedness, liabilities and obligations of Kami LP to the Lender in connection with the Loan Documents and related security. A copy of the Guarantee is attached as **Exhibit "6"**.

Security

13. The Credit Parties have provided security to the Lender in respect of their obligations to the Lender, including:
 - (a) Kami LP and Kami GP granted the Lender a mortgage and charge in and to all of their present and after-acquired personal property and all of their real property, including the real property and mineral rights comprising the Mining Project, pursuant to a Debenture dated July 10, 2018 ("**Debenture**"). A copy of the Debenture is attached as **Exhibit "7"**.
 - (b) Alderon granted the Lender a security interest and charge in and to all of its present and after-acquired personal property and all of its real property pursuant to a General Security Agreement dated July 10, 2018 ("**GSA**"). A copy of the GSA is attached as **Exhibit "8"**.
 - (c) Kami LP, Kami GP, and Alderon granted the Lender a security interest in certain material contracts pursuant to an Assignment of Material Contracts dated July 10, 2018 ("**Assignment of Material Contracts**"). A copy of the Assignment of Material Contracts is attached as **Exhibit "9"**.
 - (d) Kami LP provided the Lender an Assignment and Pledge of Accounts agreement dated January 8, 2020 ("**Assignment and Pledge of Accounts**") that assigns, pledges, and transfers to the Lender, and grants the Lender a security interest in, account number 4756-458 established by Kami LP with

the Bank of Montreal ("**Account**"). A copy of the Assignment of Pledge Accounts is attached as **Exhibit "10"**.

- (e) Kami LP provided the Lender a Blocked Account Agreement dated January 8, 2020 among Kami LP, the Lender, and the Bank of Montreal regarding the Account ("**Blocked Account Agreement**"). A copy of the Blocked Account Agreement is attached as **Exhibit "11"**.

(the foregoing is collectively "**Security**").

- 14. The Lender made registrations against the Credit Parties in the Personal Property Registries of British Columbia, Newfoundland and Labrador, and Ontario:
 - (a) searches of the British Columbia Personal Property Registry for Kami LP, Kami GP, and Alderon are attached as **Exhibit "12"**, **Exhibit "13"**, and **Exhibit "14"**, respectively;
 - (b) searches of the Newfoundland and Labrador Personal Property Registry for Kami LP, Kami GP, and Alderon are attached as **Exhibit "15"**, **Exhibit "16"**, and **Exhibit "17"**, respectively; and
 - (c) searches of the Ontario Personal Property Registry for Kami LP, Kami GP, and Alderon are attached as **Exhibit "18"**, **Exhibit "19"**, and **Exhibit "20"**, respectively.
- 15. The Lender duly and properly registered its Security in the Registry of Deeds and Companies for Newfoundland and Labrador. A copy of the results of a search of the registry is attached as **Exhibit "21"**.
- 16. Searches of the searches of the Newfoundland and Labrador Judgment Enforcement Registry for Kami LP, Kami GP, and Alderon are attached as **Exhibit "22"**, **Exhibit "23"**, and **Exhibit "24"**, respectively.

Forbearances and Extensions

- 17. The Lender and the Credit Parties are party to:
 - (a) a Forbearance and Extension Agreement dated January 8, 2020 among the Credit Parties and the Lender (the "**First Forbearance Agreement**"). A copy of the First Forbearance Agreement is attached as **Exhibit "25"**; and
 - (b) an Amended and Restated Forbearance and Extension Agreement dated February 14, 2020 among the Credit Parties and the Lender ("**Second Forbearance Agreement**", collectively with the First Forbearance

Agreement "**Forbearance Agreements**"). A copy of the Second Forbearance Agreement is attached as **Exhibit "26"**.

Default and Demand for Repayment

18. The Credit Parties defaulted in their obligations pursuant to the Lender, Security, and Forbearance Agreements, including but not limited to by failing to repay amounts owing to the Lender on March 31, 2020.
19. On April 24, 2020 the Lender, through its legal counsel, issued demands to Kami LP and Kami GP for payment of all amounts outstanding and owing to the Lender and Notices of Intention to Enforce Security pursuant to subsection 244 of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 ("**NOI**"). Copies of these demands and NOIs are attached as **Exhibit "27"** and **Exhibit "28"**, respectively.
20. On April 28, 2020 the Lender, through its legal counsel, issued demand to Alderon for payment of all amounts outstanding and owing to the Lender and an NOI. A copy of this demand and NOI are attached as **Exhibit "29"**.
21. Despite the Lender's demand, each of the Credit Parties have failed or neglected to pay, and continue to fail or neglect to pay the Indebtedness (as defined herein) to the Lender.
22. As of May 20, 2020, the total indebtedness due and owing to the Lender by the Credit Parties pursuant to the Supplemented Credit Documents is USD\$13,856,007.85, plus all interest, costs (including legal costs on a solicitor and its own client, full indemnity basis), and fees (collectively, the "**Indebtedness**"), comprised as follows (all in \$USD):

Original Principal	\$14,000,000.00
Less Principal Repayment	\$1,002,235.20
Capitalized Interest	\$426,814.23
Total Principal Outstanding	\$13,424,579.03

Fee Outstanding	\$420,000.00
Capitalized Interest	\$11,428.82
Total Fee Outstanding	\$431,428.82
	<u>\$13,856,007.85</u>
<u>Total</u>	

Appointment of a Receiver

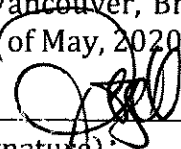
23. The Lender has the right, pursuant to the Security, to seek the appointment of a receiver over the assets, properties, and undertakings of the Credit Parties.
24. The Credit Parties are in default of their obligations to the Lender and are in default of the Security.
25. Additionally, I understand that the Credit Parties no longer have any active business operations, and that all of the directors and management of the Credit Parties have resigned, and as a result no one is:
 - (a) overseeing the day to day operations of the Credit Parties;
 - (b) available to safeguard and maximize realizations from the collateral subject to Sprott's security; nor
 - (c) available to respond to inquiries made by Sprott or other stakeholders.
26. In respect of Kami LP, HBIS has not meaningfully engaged with the Lender, has not taken any steps to take control of the operations of Kami LP, and has not taken steps to safeguard the assets of Kami LP.
27. I further understand that:
 - (a) throughout 2019 and 2020, the Credit Parties retained professional advisors and engaged in extensive efforts to market and sell the Mining Project (the "**Prior Sales Process**");
 - (b) the Prior Sales Process resulted in limited interest in the Mining Project and generated only one firm offer, however ultimately the Credit Parties were not able to effect a sale of the Mining Project;

- (c) the potential purchaser who previously made an offer for the Mining Project is currently willing to make another offer for the Mining Project, however requires that any assets acquired be conveyed pursuant to a sale and vesting order, necessitating the appointment of a receiver; and
- (d) I verily believe this may represent the best or only bid on the Mining Project and believe it is imperative an officer of the court be appointed to investigate the transaction and, if appropriate, bring it forward to the stakeholders and the court for approval.

- 28. I verily believe it is just and convenient to appoint a receiver in the circumstances.
- 29. I make this affidavit in support of the Lender's application to appoint a receiver over the assets, properties, and undertakings of the Credit Parties, and for no improper purpose.

SWORN/AFFIRMED

at Vancouver, British Columbia, on the 26th
day of May, 2020, before me



(signature)

~~Commissioner~~, notary public, etc.

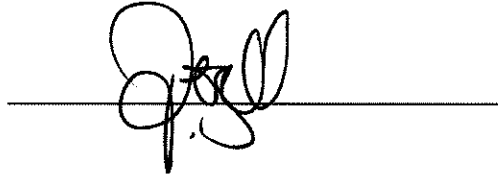


(Signature of affiant)

NARINDER NAGRA

JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

This is Exhibit "1" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Request ID: 024490764
Transaction ID: 75330995
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
Time Report Produced: 16:27:05
Page: 1

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

THE KAMI MINE LIMITED PARTNERSHIP

Business Identification Number

220904163

Business Type

LIMITED PARTNERSHIP

Mailing Address

1140 WEST PENDER STREET

No. 1240
VANCOUVER
BRITISH COLUMBIA
CANADA, V6E 4G1

General Nature of Business

MINING

Declaration Date

2012/08/30

Renewal Date

2017/10/17

Last Document Filed

RENEWAL

Last Document Filed Date

2017/10/17

Former Names

NOT APPLICABLE

Address of Principal Place of Business in Ontario

22 ADELAIDE STREET WEST

No. 3400
TORONTO
ONTARIO
CANADA, M5H 4E3

Jurisdiction of Formation

ONTARIO

Expiry Date

2022/08/28

Change Date(s)

2016/11/01 2015/11/16 2015/03/04
2014/02/28 2012/09/05

Dissolution/Withdrawal Date

NOT APPLICABLE

Current Partnership Business Names Exist:

NO

Expired Partnership Business Names Exist:

NO

Date of Name Change

Request ID: 024490764
Transaction ID: 75330995
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
Time Report Produced: 16:27:05
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LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

THE KAMI MINE LIMITED PARTNERSHIP

Business Identification Number

220904163

Business Type

LIMITED PARTNERSHIP

Information Regarding General Partner(s)

Name (Individual/Corporation/Other)

KAMI GENERAL PARTNER LIMITED

Corporate Number: 2340700

Address

22 ADELAIDE STREET WEST

No. 3400
TORONTO
ONTARIO
CANADA, M5H 4E3

Name of Signatory

AASEN, OLEN

Power of Attorney

NO

Name (Individual/Corporation/Other)

ALDERON IRON ORE CORP.

Corporate Number: 1870389

Address

1140 WEST PENDER STREET

No. 1240
VANCOUVER
BRITISH COLUMBIA
CANADA, V6E 4G1

Name of Signatory

AASEN, OLEN

Power of Attorney

NO

Request ID: 024490764
Transaction ID: 75330995
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

THE KAMI MINE LIMITED PARTNERSHIP

Business Identification Number

220904163

Business Type

LIMITED PARTNERSHIP

Former Limited Partnership Names will only be displayed for Declarations registered on or after April 1, 1994.

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "2" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
Time Report Produced: 16:27:56
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2340700	KAMI GENERAL PARTNER LIMITED	2012/08/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
22 ADELAIDE STREET WEST		NOT APPLICABLE
Suite # 3400		Amalgamation Ind.
TORONTO		NOT APPLICABLE
ONTARIO		New Amal. Number
CANADA M5H 4E3		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
Mailing Address		Letter Date
22 ADELAIDE STREET WEST		NOT APPLICABLE
Suite # 3400		Revival Date
TORONTO		NOT APPLICABLE
ONTARIO		Continuation Date
CANADA M5H 4E3		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum	
	Maximum	
	00001	
	00010	

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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CORPORATION PROFILE REPORT

Ontario Corp Number

2340700

Corporation Name

KAMI GENERAL PARTNER LIMITED

Corporate Name History

KAMI GENERAL PARTNER LIMITED

Effective Date

2012/08/30

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

OLEN
AASEN

Address

1140 WEST PENDER STREET

Suite # 1240
VANCOUVER
BRITISH COLUMBIA
CANADA V6E 4G1

Date Began

2012/08/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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CORPORATION PROFILE REPORT

Ontario Corp Number

2340700

Corporation Name

KAMI GENERAL PARTNER LIMITED

**Administrator:
Name (Individual / Corporation)**

OLEN
AASEN

Address

1140 WEST PENDER STREET

Suite # 1240
VANCOUVER
BRITISH COLUMBIA
CANADA V6E 4G1

Date Began

2016/03/28

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

TAYFUN
ELDEM

Address

2000 MCGILL COLLEGE AVENUE

Suite # 250
MONTREAL
QUEBEC
CANADA H3A 3H3

Date Began

2018/02/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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CORPORATION PROFILE REPORT

Ontario Corp Number

2340700

Corporation Name

KAMI GENERAL PARTNER LIMITED

**Administrator:
Name (Individual / Corporation)**

TAYFUN
ELDEM

Address

2000 MCGILL COLLEGE AVENUE

Suite # 250
MONTREAL
QUEBEC
CANADA H3A 3H3

Date Began

2018/02/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

KATE-LYNN
GENZEL

Address

1140 WEST PENDER STREET

Suite # 1240
VANCOUVER
BRITISH COLUMBIA
CANADA V6E 4G1

Date Began

2015/11/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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CORPORATION PROFILE REPORT

Ontario Corp Number

2340700

Corporation Name

KAMI GENERAL PARTNER LIMITED

Administrator:

Name (Individual / Corporation)

WEI
ZHOU

Address

92 JIANGUO ROAD, 16TH FLOOR
SHIMAO BUILDING
BEIJING CHAO YANG DISTRICT
CHINA 100-022

Date Began

2018/04/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Administrator:

Name (Individual / Corporation)

WEI
ZHOU

Address

92 JIANGUO ROAD, 16TH FLOOR
SHIMAO BUILDING
BEIJING CHAO YANG DISTRICT
CHINA 100-022

Date Began

2018/04/26

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

N

Request ID: 024490782
Transaction ID: 75331040
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/01
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2340700

KAMI GENERAL PARTNER LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2020/04/01 (ELECTRONIC FILING)


THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE CORPORATIONS INFORMATION ACT, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

This is Exhibit "3" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460



BC Company Summary For ALDERON IRON ORE CORP.

Date and Time of Search: May 01, 2020 01:25 PM Pacific Time
Currency Date: February 28, 2020

ACTIVE

Incorporation Number: BC0172753
Name of Company: ALDERON IRON ORE CORP.
Recognition Date: Incorporated on March 21, 1978
Last Annual Report Filed: March 21, 2020
In Liquidation: No
Receiver: No

COMPANY NAME INFORMATION

Table with 2 columns: Previous Company Name, Date of Company Name Change. Rows include ALDERON RESOURCE CORP., ARIES RESOURCE CORP., TRUAX VENTURES CORP., PACIFIC SUMMA ENVIRONMENTAL CORP., PACIFIC SUMMA CAPITAL CORP., ENFIELD RESOURCES INC., SHAWNEE OIL CORPORATION, and COMANCHE RESOURCES INC.

REGISTERED OFFICE INFORMATION

Mailing Address: 1240 - 1140 WEST PENDER STREET VANCOUVER BC V6E 4G1 CANADA
Delivery Address: 1240 - 1140 WEST PENDER STREET VANCOUVER BC V6E 4G1 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 1240 - 1140 WEST PENDER STREET VANCOUVER BC V6E 4G1 CANADA
Delivery Address: 1240 - 1140 WEST PENDER STREET VANCOUVER BC V6E 4G1 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Zhou, Wei

Mailing Address:

CHIMAO BUILDING, 16TH FLOOR
NO.92 JIANGUO ROAD
CHAO YANG DISTRICT
BEIJING 100022
CHINA

Delivery Address:

CHIMAO BUILDING, 16TH FLOOR
NO.92 JIANGUO ROAD
CHAO YANG DISTRICT
BEIJING 100022
CHINA

OFFICER INFORMATION AS AT March 21, 2020

Last Name, First Name, Middle Name:

Aasen, Olen

Office(s) Held: (Secretary)

Mailing Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Delivery Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Last Name, First Name, Middle Name:

Eldem, Tayfun

Office(s) Held: (CEO, President)

Mailing Address:

18686 RUE POITIERS
PIERREFONDS QC H9K 1P8
CANADA

Delivery Address:

18686 RUE POITIERS
PIERREFONDS QC H9K 1P8
CANADA

Last Name, First Name, Middle Name:

GENZEL, KATE-LYNN

Office(s) Held: (CFO)

Mailing Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Delivery Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Last Name, First Name, Middle Name:

Li, David

Office(s) Held: (Vice President)

Mailing Address:

1240 - 1140 W. PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Delivery Address:

1240 - 1140 W. PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Last Name, First Name, Middle Name:

MORABITO, MARK J.

Office(s) Held: (Chair)

Mailing Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Delivery Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Last Name, First Name, Middle Name:

Norris, Gary

Office(s) Held: (Vice President)

Mailing Address:

260 THREE ISLAND POND ROAD
PARADISE NL A1L 2E7
CANADA

Delivery Address:

260 THREE ISLAND POND ROAD
PARADISE NL A1L 2E7
CANADA

Last Name, First Name, Middle Name:

PAINE, SHEILA

Office(s) Held: (Assistant Secretary)


Mailing Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

Delivery Address:

1240 - 1140 WEST PENDER STREET
VANCOUVER BC V6E 4G1
CANADA

This is Exhibit "4" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

CREDIT AGREEMENT

DATED AS OF JUNE 20, 2018

Between:

**THE KAMI MINE LIMITED PARTNERSHIP
as Borrower**

- and -

**ALDERON IRON ORE CORP., and KAMI GENERAL PARTNER LIMITED
as Guarantors**

- and -

**SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
as Lender**

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CREDIT AGREEMENT

THIS AGREEMENT made as of the 20th day of June, 2018

BETWEEN:

THE KAMI LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of Ontario

(hereinafter referred to as the "**Borrower**")

AND:

ALDERON IRON ORE CORP., a corporation organized and existing under the laws of British Columbia

(hereinafter referred to as "**Alderon**")

KAMI GENERAL PARTNER LIMITED, a corporation organized and existing under the laws of Ontario

(hereinafter referred to as "**Kami GP**", and together with Alderon, the "**Guarantors**")

AND:

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, a limited partnership organized and existing under the laws of the Province of Ontario

(hereinafter referred to as the "**Lender**")

WHEREAS the Borrower has requested, and the Lender has agreed, to establish a \$14,000,000 principal amount senior secured credit facility on and subject to the terms and conditions herein set forth.

NOW THEREFORE THIS CREDIT AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 INTERPRETATION

Definitions

- 1.1 In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

"**Advance**" means an advance of the Facility contemplated herein;

"**Affiliate**" has the meaning given thereto in the Securities Act;

"**Agreement**", "**this Agreement**", "**hereto**", "**hereby**", "**hereunder**", "**hereof**", "**herein**" and similar expressions refer to this credit agreement and not to any particular Article, section, subsection, paragraph, clause, subdivision or other portion hereof, and include any and every supplemental Agreement; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by

a number mean and refer to the specified Article, section, subsection or paragraph of this Agreement;

"Amount" or **"Amount Payable"** includes the principal amount advanced or deemed to be advanced and any other amount payable hereunder or under any of the Facility Documents;

"Applicable Law" means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

"Applicable Securities Legislation" means all applicable securities laws of each of the Reporting Jurisdictions and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions and such other jurisdictions as may be agreed to between the Credit Parties, as applicable, and the Lender;

"Authorization" means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration;

"Bonus Interest" has the meaning attributed to such term in Section 2.8 hereof;

"Bonus Shares" has the meaning attributed to such term in Section 2.8 hereof;

"Borrower" means The Kami Mine Limited Partnership, a limited partnership organized and existing under the laws of Ontario, and its successors and permitted assigns;

"Credit Parties' Auditors" means, at any time, a firm of chartered accountants duly appointed as auditors of the Credit Parties or any of them;

"Business Day" means any day other than Saturday, Sunday or a statutory holiday when banks are not open in Toronto, Ontario or Vancouver, British Columbia;

"CND A" means the Consent and Non-Disturbance Agreement entered into on or around the date hereof between the Lender and Her Majesty The Queen In Right Of The Province Of Newfoundland And Labrador, as represented by the Minister of Natural Resources, in respect of (i) Government of Newfoundland and Labrador, Department of Natural Resources Surface Lease #142 issued February 17, 2014 and (ii) Government of Newfoundland and Labrador, Department of Natural Resources Mining Lease #234 (15980M) issued February 17, 2014;

"Certificate of the Borrower" means an instrument signed in the name of the Borrower and without personal liability by any Director or senior officer of Kami GP, as general partner of the Borrower, certifying the matters specified therein;

"Change of Control" means the occurrence of any of the following events:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in Section 1.1 of Multilateral Instrument 62-104), other than Alderon or any Subsidiary of Alderon, has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares of Alderon, that together with the offeror's securities (as such term is defined in Section 1.1 of Multilateral Instrument 62-104) in relation to the Voting Shares of Alderon, would

constitute Voting Shares of Alderon representing more than 50% of the total voting power attached to all Voting Shares of Alderon then outstanding;

- (b) there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of Alderon (1) in which Alderon is not the continuing or surviving corporation or (2) pursuant to which any Voting Shares of Alderon would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of Alderon in which the holders of the Voting Shares of Alderon immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 25% of the Voting Shares of the continuing or surviving corporation immediately after such transaction; or
- (c) any Person or group of Persons acting together shall succeed in having a sufficient number of its nominees elected as Directors of Alderon such that such nominees, when added to any existing Directors after such election who was a nominee of or is an Affiliate or related Person of such Person or group of Persons acting together, will constitute a majority of the Directors;

"Closing Date" means the date of this Agreement;

"Commitment" means the Advance to be made by the Lender to the Borrower in the principal amount of \$14,000,000 in accordance with this Agreement;

"Common Shares" means common shares in the capital of Alderon or Kami GP, as applicable as such shares exist at the close of business on the date of execution and delivery of this Agreement;

"Constating Documents" means (i) with respect to a corporation, its articles of incorporation, amalgamation or continuance, or constitution, or other similar documents by which it is established under its governing corporate legislation as a corporation, and its by-laws, if any, and (ii) with respect to any other Person which is an artificial body other than a corporation, the organization and governance documents of such Person; in each case as amended and supplemented from time to time;

"Contingent Liabilities" means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or other, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related;

"Corporations Act" means the *Business Corporations Act* (British Columbia);

"Credit Parties" means collectively, the Borrower and the Guarantors, and **"Credit Party"** means any one of them;

"Current Assets" means, at any time, all current assets on the consolidated balance sheet of Alderon, determined as of such time in accordance with IFRS;

"Current Liabilities" means, at any time, all current liabilities on the consolidated balance sheet of Alderon, determined as of such time in accordance with IFRS, excluding (i) the current portion of the principal amount of the Facility, (ii) the Deferred Indebtedness and (iii) Lease Obligations;

"Default" means an Event of Default or any event or circumstance specified in Section 8.1 hereof which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default;

"Deferred Indebtedness" means (i) the \$4,353,738.30 owing to Metso Minerals Canada Ltd. pursuant to the Amendment Agreement dated November 13, 2014; and (i) the CAD\$3,479,544.01 owing to WorleyParsons Canada Services Ltd. pursuant to the Amendment Agreement dated November 12, 2014;

"Director" means a director of the Borrower or Alderon, as applicable, for the time being and **"Directors"** means the board of directors of the Borrower or Alderon, as applicable or, whenever duly empowered, a committee of the board of directors of the Borrower or of Alderon, as applicable, and reference to action by the Directors means action by the directors as a board or action by such a committee of the board as a committee;

"Disclosure Record" means all information circulars, prospectuses (including preliminary prospectuses), annual information forms, offering memoranda, financial statements, material change reports and news releases filed by Alderon with the Exchange and all securities regulatory authorities in each Reporting Jurisdiction during the 24 months preceding the date hereof;

"Environmental Laws" means all federal, provincial, state, municipal, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters;

"Environmental Matters" means:

- (a) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
- (b) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;

"Event of Default" has the meaning attributed to such term in Section 8.1 hereof;

"Exchange" means the Toronto Stock Exchange, and each successor thereto;

"Facility" has the meaning attributed to such term in Section 2.1 hereof;

"Facility Documents" means this Agreement, the Security Documents, the Guarantees, the CNDA and all other certificates, instruments, notices and documents delivered or to be delivered by the Credit Parties hereunder or thereunder, each as amended, modified, supplemented, restated or replaced from time to time;

"Facility Indebtedness" means all present and future debts, liabilities and obligations of the Borrower and the Guarantors to the Lender under and in connection with this Agreement and all other Facility Documents, including all Amounts Payable and all fees and other money payable or owing from time to time pursuant to the terms of this Agreement or any of the Facility Documents;

"Financial Instrument Obligations" means, with respect to any Person, obligations arising under:

- (a) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is interest rates or the price, value or amount payable thereunder is dependent or based upon interest rates or fluctuations in interest rates in effect from time to time (but excluding non-speculative conventional floating rate indebtedness);
- (b) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates in effect from time to time; and
- (c) any agreement for the making or taking of any commodity (including gold, coal, natural gas, oil and electricity), swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity;

or any other similar transaction, including any option to enter into any of the foregoing, or any combination of the foregoing, in each case to the extent of the net amount due or accruing due by the Person under the obligations determined by marking the obligations to market in accordance with their terms;

"Governmental Authority" means each national, state, provincial, county, municipal or other such governmental or public authority, including their authorized administrative bodies, courts, tribunals, commissions and agents, which have legal jurisdiction over a Person or a matter relevant to this Agreement;

"Guarantees" means, collectively, the guarantees of the Guarantors;

"Guarantors" means, collectively, Alderon Iron Ore Corp. and Kami General Partner Limited and their respective successors and permitted assigns, and **"Guarantor"** means either one of them;

"Hazardous Materials" has the meaning attributed to such term in Section 6.1(gg) hereof;

"IFRS" means international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto ("**IASB**"), as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

"Indebtedness" means, with respect to a Person, without duplication:

- (a) all obligations of the Person for borrowed money, including debentures, notes or similar instruments and other financial instruments and obligations with respect to bankers' acceptances and contingent reimbursement obligations relating to letters of credit;
- (b) all Financial Instrument Obligations of the Person;

- (c) all Lease Obligations and Purchase Money Obligations of the Person;
- (d) all obligations to pay the deferred and unpaid purchase price of property or services, which purchase price is due and payable more than six months after the date of placing such property or service or taking delivery at the completion of such services;
- (e) all indebtedness of any other Person secured by a Security Interest on any asset of the Person;
- (f) all obligations to repurchase, redeem or repay any Common Shares or any other shares or equity interests of a Credit Party that fall due prior to the Maturity Date; and
- (g) all Contingent Liabilities of the Person with respect to obligations of another Person if such obligations are of the type referred to in paragraphs (a) to (f) above;

"Indemnified Parties" has the meaning attributed to such term in Section 10.1 hereof;

"Lease Obligation" has the meaning given to such term in IFRS;

"Lender" means Sprott Private Resource Lending (Collector), LP, an Ontario limited partnership, and every successor Person thereto and assignee;

"Lender's Counsel" means Lawson Lundell LLP and, at any time, any other legal counsel retained by the Lender in the relevant jurisdiction to the matter in question;

"LMM" means Liberty Metals & Mining Holdings, LLC, and every successor Person thereto and assignee;

"LMM Indebtedness" means the outstanding and unpaid portion of indebtedness evidenced by that certain senior secured promissory note, dated February 24, 2014, as amended December 8, 2014 and May 22, 2018 and as may be further amended or amended and restated, in the original principal amount of \$22,000,000, issued by Kami LP to LMM;

"Material Adverse Effect" means, when used with reference to any event or circumstance, any event or circumstance which has, had, or could reasonably be expected to have a material adverse effect on:

- (a) the business, operations, prospects, results of operations, assets, liabilities (contingent or otherwise), capitalization, condition (financial or otherwise) or cash flows of any of the Credit Parties, including but not limited to any event or circumstance relating to or resulting from conditions affecting the mining industry as a whole, general economic, financial, currency exchange, securities, credit or commodity market conditions;
- (b) the ability of the Credit Parties or any of them to perform their obligations when due under this Agreement or any of the other Facility Documents;
- (c) the validity or enforceability of this Agreement or any other Facility Document; or
- (d) the priority or ranking of any Security Interest granted pursuant to the Security Documents or any of the rights or remedies of the Lender thereunder or under any other Facility Document;

"Material Contract" means any Project Document which (i) is prudent or necessary for the continuing operation and development of the Project, and (ii) contains terms and conditions which, if amended or, upon breach, termination, non-renewal or non-performance, could

reasonably be expected to have a Material Adverse Effect, all as more particularly described on Schedule D hereto;

"Maturity Date" means, subject to Section 2.5 below, December 31, 2019;

"Obligations" means, without duplication, with respect to a Person, all items which, in accordance with IFRS, would be included as liabilities on the liability side of the balance sheet of the Person and all Contingent Liabilities of the Person;

"Permitted Disposal" means any sale, lease, license, transfer or other disposal:

- (a) made by a Credit Party to another Credit Party, provided that if the disposing Credit Party had granted a Security Interest in favour of the Lender over the asset or property subject to such disposal, equivalent security over such asset or property shall be granted in favour of the Lender by the acquiring Credit Party, in each case, on terms and conditions satisfactory to the Lender;
- (b) that is contemplated under Section 3.2 and in respect of which all or part of the proceeds will be paid to the Lender in accordance with the terms of that Section and this Agreement;
- (c) of obsolete or redundant vehicles, plant and equipment for cash;
- (d) made with the prior written consent of the Lender;
- (e) of fixed assets where the proceeds of disposal are used to purchase replacement assets comparable or superior as to type, value and quality; and
- (f) of assets (other than shares) for cash where the net consideration receivable (when aggregated with the net consideration receivable for any other sale, lease, license, transfer or disposal not allowed under paragraphs (a) to (d) above) does not exceed \$250,000;

"Permitted Encumbrances" means with respect to any Credit Party:

- (a) any Security Interest granted pursuant to the Security Documents;
- (b) any Security Interest or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secure related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any Security Interest imposed pursuant to statute such as builders', mechanics', materialman's, carriers', warehousemen's and landlords' liens and privileges, in each case, which relate to obligations not yet due or delinquent or, if due or delinquent, which the Credit Party is contesting in good faith if such contest will involve no material risk of loss of any material part of the property of any Credit Party;
- (d) any Security Interest for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year, or not at the time due and delinquent or, if due or delinquent, the validity of which is being contested at the time in good faith;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by any Credit Party, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;

- (f) any Security Interest created or assumed by any Credit Party in favour of a public utility or Governmental Authority (whether directly or indirectly) when required by the utility or Governmental Authority in connection with the operations of such Credit Party that could not reasonably be expected to have a Material Adverse Effect;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Credit Party, or title defects, encroachments or irregularities, that could not reasonably be expected to have a Material Adverse Effect;
- (i) any Security Interest that secures Permitted Indebtedness referred to under subsection (c) provided that such Security Interest shall be subject to the inter-creditor agreement referred to in such subsection (c);
- (j) any Security Interest that secures Permitted Indebtedness referred to under subsection (i) of that definition provided that such Security Interest is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness;
- (k) those certain Security Interests in respect of which Registration Number 20160209 1037 1529 0835 was made at the Ontario Personal Property Registry against the each Credit Party, as Business Debtor, and in favour of Metso Minerals Canada Inc., as Secured Party, in so far as such registration relates to (i) METSO 22' x 41' (6.7m x 12.5m) Regrind Ball Mill with 2 x 6,705HP (5,000 kW) Motors and (ii) METSO 36' x 23' (11m x 7m) AG Mill with G.E. 15,000 kW (20,107 HP) Motor; and
- (l) any Royalty Obligations.

"Permitted Indebtedness" means:

- (a) Indebtedness under this Agreement and any other Facility Documents;
- (b) Indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Credit Party by appropriate proceedings diligently conducted, and provided always that the failure to pay such Indebtedness would not reasonably be expected to result in a Material Adverse Effect;
- (c) any Indebtedness approved by the Lender and, if applicable, permitted pursuant to the terms of an inter-creditor agreement, in form and substance satisfactory to the Lender providing for the full subordination and postponement of such indebtedness and any security therefor to the Facility Indebtedness and the Security Interests granted under the Security Documents, executed and delivered in favour of the Lender;
- (d) any inter-company Indebtedness between any Credit Parties;
- (e) any guarantee or indemnity in respect of Permitted Indebtedness;
- (f) any other Indebtedness which the Lender agrees in writing is Permitted Indebtedness for the purposes of this Agreement;

- (g) any performance or similar bond guaranteeing performance by a Credit Party or another subsidiary of a Credit Party, which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (h) any Indebtedness arising under a foreign exchange transaction for spot or forward deliver entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure (and not a foreign exchange transaction for investment or speculative purposes), which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (i) any Indebtedness under finance or in respect of Lease Obligations and Purchase Money Obligations, provided that the total payments in respect of Lease Obligations during a twelve month period do not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (j) the Deferred Indebtedness;
- (k) any Indebtedness under any corporate or employee credit card programs of a Credit Party, which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time and which is not secured; and
- (l) any Indebtedness not permitted by the preceding paragraphs (a) to (m) and the outstanding amount of which does not exceed \$250,000 in aggregate for the Credit Parties at any time.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or Governmental Authority or entity, however designated or constituted;

"PPSA" means the *Personal Property Securities Act* (British Columbia);

"Project" means the iron ore development project located on the Kamistiatasset property in Newfoundland and Labrador, as more particularly described on Schedule A hereto;

"Project Document" means any agreement, contract, license, permit, instrument, lease, easement or other document which (i) deals with or is related to the construction, operation or development of the Project, and (ii) is executed from time to time by or on behalf of or is otherwise made or issued in favour of any Credit Party;

"Purchase Money Obligation" means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any mobile asset;

"Relevant Jurisdiction" means, from time to time, any jurisdiction in which any Credit Party has material property or assets, or in which it carries on material business and, for the purposes of this Agreement, includes (i) British Columbia, Canada, (ii) Ontario, Canada, (iii) Newfoundland and Labrador, Canada and (iv) Québec, Canada;

"Reporting Jurisdictions" means all of the jurisdictions in Canada in which Alderon is a "reporting issuer", including as of the date hereof, the Provinces of British Columbia, Alberta and Ontario;

"Royalty Obligations" means (i) the 3% gross sales royalty on iron ore concentrate arising in connection with the Project pursuant to the royalty agreement dated December 6, 2010 between Altius Resources Inc. and Alderon, as assigned to the Borrower by a Conveyance and Assumption Agreement dated March 15, 2013 between Alderon and the Borrower, and (ii) the

participation payment of 0.735% of positive pre-tax cash flow from mining operations pursuant to the Impacts and Benefits Agreement effective January 21, 2014 between the Borrower and Innu Nation;

"Secured Assets" means the undertaking, properties and assets now owned, leased or hereafter acquired or leased by the Credit Parties or any of them secured by the Security Documents;

"Securities" means the Bonus Shares;

"Securities Act" means the *Securities Act* (British Columbia);

"Security Documents" means, collectively, the agreements, instruments and documents listed in Schedule B hereto and delivered pursuant to Article 4 of this Agreement;

"Security Interest" means any security interest, assignment by way of security, mortgage, charge (whether fixed or floating), hypothec, deposit arrangement, pledge, trust, lien, encumbrance, preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever, and includes any other "Security Interest" as defined in section 1 of the PPSA;

"Subsidiary" has the meaning attributed to such term in the Corporations Act;

"Taxes" means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not;

"Term Sheet" means the term sheet for credit facility dated May 7, 2018 issued by the Lender to the Credit Parties;

"Voting Shares" means shares of capital stock of any class of any corporation carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event; and

"Working Capital" means Current Assets less Current Liabilities.

Interpretation Not Affected by Headings

- 1.2 The division of this Agreement into articles, sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Statute References

- 1.3 Any reference in this Agreement to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

Permitted Encumbrance

- 1.4 Any reference in any of the Facility Documents to a Permitted Encumbrance is not intended to and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any obligation of any Credit Party to the Lender under any of the Facility Documents to any Permitted Encumbrance.

Currency

- 1.5 Any reference in this Agreement to "**Dollars**", "**dollars**" or "**\$**" shall be deemed to be a reference to lawful money of the United States of America and any reference to any payments to be made by any Credit Party shall be deemed to be a reference to payments made in lawful money of the United States of America. Any reference in this Agreement to "**CAD\$**" shall be deemed to be a reference to lawful money of Canada.

Use of the Words "Best Knowledge", "continuing" and "indebtedness"

- 1.6 The words "**best knowledge**", "**to the best of the Borrower's knowledge**", "**to the knowledge of**", "**of which they are aware**", "**any knowledge of**" or other similar expressions limiting the scope of any representation, warranty, acknowledgement, covenant or statement by the Borrower or the Credit Parties will be understood to be made on the basis of the actual knowledge of any of the executive officers or similar senior management personnel of the Borrower or other Credit Party, in each case, after due inquiry.
- 1.7 A Default being "**continuing**" means that such Default has not been cured or waived by the Lender.
- 1.8 Any reference to "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

Non-Business Days

- 1.9 Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day and the Lender shall not be entitled to any further interest or other payment in respect of such delay.

Governing Law

- 1.10 This Agreement shall be governed by, construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract. Each of the Credit Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in the City of Vancouver. Each Credit Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any Court of the Province of British Columbia. Each of the Credit Parties hereby irrevocably waives, to the fullest extent permitted by law, any forum non conveniens defence to the maintenance of such action or proceeding in any such court. Each Credit Party irrevocably consents to service of process in British Columbia. Nothing in this Agreement will affect the right of the Lender to serve process in any other manner or in any other jurisdiction permitted by law or to commence suits, actions or legal proceedings in any other jurisdictions.

Paramourncy

- 1.11 In the event of any inconsistency between the provisions of this Agreement and the provisions of any other Facility Document, the provisions of this Agreement shall prevail.

Enurement

- 1.12 The Facility Documents shall be binding upon and shall enure to the benefit of each Credit Party which is party thereto and the Lender and their respective successors and permitted assigns.

Interpretation

- 1.13 In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. In this Agreement the words "including" or "includes" mean "including without limitation" and "includes without limitation", respectively.

Time of Essence

- 1.1 Time shall be of the essence in all respects in this Agreement.

Joint and Several Liability

- 1.2 The Credit Parties agree that all obligations of the Credit Parties in this Agreement and/or any other Facility Document shall be joint and several obligations of all the Credit Parties.

Schedules

- 1.3 The Schedules attached hereto are incorporated into this Agreement by reference and are deemed to be an integral part thereof.

ARTICLE 2 THE FACILITY

The Facility

- 2.1 Subject to the terms and conditions hereof, the Lender hereby establishes in favour of the Borrower a senior secured non-revolving single advance reducing term credit facility (the "Facility") in an amount equal to the Commitment amount, which shall be made available to the Borrower, or as the Borrower may direct, by way of a single drawdown in accordance with this Agreement.

Non-Revolverment

- 2.2 The Facility is a non-revolving facility, and any repayment under the Facility shall not be re-borrowed.

Notice of Borrowing

- 2.3 The Borrower shall provide a notice of borrowing to the Lender in respect of the Advance no later than 12:00 p.m. (Toronto time) not less than 3 Business Days prior to the requested drawdown date. The notice of borrowing shall be in form and on terms satisfactory to the Lender and shall be irrevocable. Prior to the issuance of a notice of borrowing, the Borrower shall have satisfied or fulfilled all conditions precedent set out in Section 5.2 and provided to the Lender all documentation contemplated therein, and the Lender shall have confirmed to the Borrower in writing the satisfaction or fulfillment of the conditions precedent set out in Section 5.2 and the Lender's satisfaction with all such documentation delivered.

Term

- 2.4 Except as otherwise provided herein, the outstanding principal amount of the Facility, together with all accrued but unpaid interest, bonus and other costs, fees or charges payable hereunder from time to time, will be immediately due and payable by the Borrower to the Lender on the Maturity Date.
- 2.5 Notwithstanding the foregoing, and in the Lender's sole discretion, the Lender may offer to extend the term of the Facility for a period of up to an additional six months. Without limiting the generality of the foregoing, any such extension shall be conditional upon, *inter alia*:
- (a) the Credit Parties being in good standing under each Facility Document to which they are party; and
 - (b) payment to the Lender of additional bonus interest in an amount equivalent to \$350,000 payable, *mutatis mutandis*, as set out in Section 2.8 below, provided that such issuance of Common Shares in payment of the bonus interest shall be calculated based on a 10% discount to the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the original Maturity Date.

If the Borrower desires to have the term of the Facility extended, it shall send a written request to the Lender during a period that starts three months prior to the Maturity Date and ends one month prior to the Maturity Date. The Lender shall confirm within 10 Business Days of the receipt of Borrower's extension request whether such extension will be granted or not. Upon the agreement of the parties to such an extension, the new maturity date shall be deemed to be the Maturity Date for the purposes of this Agreement.

Use of Proceeds

- 2.6 Except with the prior written consent of the Lender, the Borrower shall use the proceeds of the Facility only as follows:
- (a) for the irrevocable repayment in full of the LMM Indebtedness and/or reimbursement to the Credit Parties of any amounts pre-paid to LMM after May 3, 2018;
 - (b) in payment of interest payable pursuant to Section 2.7 below; and
 - (c) in payment of the Lender's fees and expenses payable pursuant to Section 7.4 below.

Interest

- 2.7 Interest shall accrue on the principal amount of the Facility from the date of Advance, as well as on all overdue amounts outstanding in respect of interest, costs or other fees or expenses payable hereunder, at the fixed rate of ten percent (10%) per annum, calculated daily and compounded monthly (effective annual rate of 10.57%), and shall be payable by the Borrower until otherwise advised by the Lender:
- (a) in respect of 12/14th (6/7th) of the amount payable, to the Lender, monthly on the last Business Day of every month by way of wire transfer, as well as after each of maturity, default and judgment;
 - (b) in respect of 2/14th (1/7th) of the amount payable, to Altius Resources Inc., monthly on the last Business Day of every month by way of wire transfer, as well as after each of maturity, default and judgment.

Bonus Interest

- 2.8 In consideration for the Advance of the Facility to the Borrower (which Alderon acknowledges it will also derive benefit from) and concurrently therewith, Alderon, will pay bonus interest to the Lender in the amount of \$1,050,000 (the "**Bonus Interest**") net of all applicable withholding taxes, being 7.5% of the Facility, payable in Common Shares issued at a deemed price equal to a 10% discount to the lesser of (i) the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the date of the Term Sheet, and (ii) the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the date of the Advance (the "**Bonus Shares**"). The Bonus Shares shall be registered in the name of the Lender, or as the Lender may direct in writing, and shall be subject to a hold period under Applicable Securities Legislation of four months and one day from their date of issue. The Canadian dollar equivalent of the Bonus Interest will be determined by multiplying the amount of \$1,050,000 by the daily average exchange rate for the conversion of U.S. to Canadian dollars set by the Bank of Canada as at the Business Day immediately prior to the date of issuance of the Bonus Shares.

Computations

- 2.9 The rates of interest under this Agreement are nominal rates, and not effective rates or yields. Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest (or standby interest) "per annum" or a similar expression is used, such interest (or standby interest) shall be calculated on the basis of a year of 360 days for the actual number of days occurring in the period for which any such interest (or standby interest) is payable. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360.

No Set-off

- 2.10 All payments required to be made by the Borrower or any other Credit Party pursuant to the provisions hereof or any other Facility Document shall be made in immediately available funds and without any set-off, deduction, withholding or counter-claim or cross-claim.

Maximum Return

- 2.11 The Lender and each Credit Party acknowledge and agree that the payment of Amounts Payable hereunder and any further consideration to the Lender is a fair payment based on the business terms of this transaction. The Lender and the Borrower acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Lender, whether for any Amount Payable or otherwise, exceed the maximum payment permitted under Applicable Law.

Time and Place of Payments

- 2.12 All payments made by the Borrower pursuant to this Agreement or pursuant to any other Facility Document shall be made before 2:00 p.m. (Toronto, Ontario time) on the day specified for payment. Any payment received after 2:00 p.m. (Toronto, Ontario time) on the day specified for such payment shall be deemed to have been received before 2:00 p.m. (Toronto, Ontario time) on the immediately following Business Day. All payments shall be made to the Lender to the account and office of the Lender, as specified by the Lender (and, in the case of the office, in Section 9.2 hereto), or such other account or office as the Lender may designate in writing. If

the date for payment of any Amount Payable is not a Business Day at the place of payment, then payment shall be made on the next Business Day at such place.

Record of Payments

- 2.13 The Lender shall maintain accounts and records evidencing all payments hereunder, which accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence thereof.

ARTICLE 3 PREPAYMENT

Voluntary Prepayment

- 3.1 The Borrower may prepay the outstanding balance of the Facility, in whole or in part, at any time before the Maturity Date, provided that the equivalent of not less than \$1,400,000 of interest on the Facility (including all payments of interest made prior to the date of any such prepayment) shall have been paid to the Lender.

Mandatory Prepayments of the Facility

- 3.2 If at any time after the Closing Date, any Credit Party (a) sells or otherwise disposes of any assets in one or more transactions outside of the ordinary course of business, to the extent that the proceeds of such transactions are in the form of cash and have a value in excess of \$250,000 in the aggregate (for all such transactions after the date hereof) or (b) receives any insurance proceeds, such Credit Party will pay or cause to be paid to the Lender (i) the proceeds of such sale, net of reasonable out-of-pocket selling costs required to be paid by such Credit Party to any third party in connection with such sale or (ii) such insurance proceeds (as the case may be), to be applied in repayment of the outstanding balance of the Facility. In the event that such proceeds are received prior to the last day of the Availability Period, the amount of the Commitment shall be reduced by an amount equal to the amount of such proceeds subject to the discretion of the Lender.
- 3.3 If at any time after the Closing Date, any Credit Party sells or otherwise disposes of any assets in one or more transactions outside of the ordinary course of business, to the extent that the proceeds of such transactions are not in the form of cash (or to the extent there are non-cash proceeds) and the value of such proceeds (as determined by the Lender, acting reasonably and on the basis of the consideration given in respect of such transaction) exceeds \$250,000 in the aggregate (for all such transactions after the date hereof), such Credit Party will grant to the Lender a first ranking security interest over such proceeds and provide the Lender with all such security documents, opinions and other documents as the Lender or the Lender's Counsel may reasonably require. In the event that such proceeds are received prior to the last day of the Availability Period, the amount of the Commitment shall be reduced by an amount equal to the amount of such proceeds subject to the discretion of the Lender.
- 3.4 If at any time after the Closing Date any Credit Party closes one or more equity or debt (including convertible debt) financings, excluding intercompany financings between Credit Parties having a value exceeding \$250,000 in the aggregate, such Credit Party will pay or cause to be paid to the Lender 50% of the proceeds of such financing(s), net of reasonable out-of-pocket financing costs required to be paid by such Credit Party in connection with such financing(s), to be applied on account of the outstanding balance of the Facility.
- 3.5 Upon the occurrence of a Change of Control, (i) the Commitment shall be immediately reduced to zero and (ii) the Facility will become immediately due and payable, in full and the Borrower shall pay to the Lender in respect thereof, an amount equal to the outstanding balance of the Facility, all accrued but unpaid interest hereon and all costs and charges payable hereunder.

ARTICLE 4 SECURITY

Security Documents

- 4.1 To secure the due payment of all Indebtedness of the Credit Parties to the Lender in respect of the Facility and the payment and performance of all other obligations, indebtedness and liabilities of the Credit Parties to the Lender hereunder and under the other Facility Documents, the Credit Parties shall execute and deliver the Security Documents to the Lender.

Registration of the Security

- 4.2 The Lender shall at the Borrower's expense, register, file, record and give notice of (or cause to be registered, filed, recorded and given notice of) the Security Documents in all offices and registries where such registration, filing, recording or giving notice is necessary or desirable for the perfection of the Security Interest constituted thereby and to ensure that such Security Interest is first ranking, subject only to the Permitted Encumbrances.

After Acquired Property and Further Assurances

- 4.3 The Credit Parties shall from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge as may be necessary or desirable in the opinion of the Lender, acting reasonably, or its counsel to ensure that any additional interests in assets acquired by them after the date hereof, are subject to the Security Interests created pursuant to the Security Documents.

ARTICLE 5 CONDITIONS PRECEDENT

Conditions Precedent to Effectiveness

- 5.1 This Agreement shall become effective as at the Closing Date, provided the following conditions precedent have been satisfied, fulfilled or otherwise met to the satisfaction of the Lender and the Lender's Counsel:
- (a) the representations and warranties contained in Article 6 will be true and correct in all material respects;
 - (b) no event or circumstance shall have occurred or exist that could reasonably be expected to have a Material Adverse Effect on any of the Credit Parties, including but not limited to there being no pending or threatened litigation, proceedings or investigations which could reasonably be expected to have a Material Adverse Effect; and
 - (c) the Lender will have completed and, in its sole and absolute discretion, be satisfied with its due diligence review of the Credit Parties and their respective properties and assets, including without limitation, its review of all feasibility studies, leases, licences, budgets, financial forecasts, proforma financial statements, all Material Contracts and the net realizable value of the Secured Assets.

Conditions Precedent to Advance

- 5.2 The obligation of the Lender to make the Advance under this Agreement is subject to and conditional upon the following conditions precedent being satisfied, fulfilled or otherwise met to the satisfaction of the Lender and the Lender's Counsel on or before the date of Advance:

- (a) receipt by the Lender of the following documents, each in full force and effect, and in form and substance satisfactory to the Lender and the Lender's Counsel:
- (i) executed copies of the Facility Documents, including, without limitation, this Agreement and the Security Documents described in Schedule B hereto;
 - (ii) certificates of status or other similar type of evidence of existence for each of the Credit Parties from all Relevant Jurisdictions;
 - (iii) certified copies of the Constatting Documents of each of the Credit Parties;
 - (iv) copies of all agreements and documents evidencing all Royalty Obligations of the Credit Parties;
 - (v) certified copies of directors' resolutions for each of the Credit Parties with respect to its authorization, execution and delivery of the Facility Documents to which it is a party being delivered in connection herewith and the performance of all obligations thereunder;
 - (vi) certificates of a director, managing partner, general partner or authorized officer, as applicable, of each of the Credit Parties, in each case certifying the names and the true signatures of the officers authorized to sign the Facility Documents to which it is a party;
 - (vii) all requisite regulatory approvals, including Exchange and other approvals to the transactions contemplated herein;
 - (viii) releases, discharges and postponements (in registrable form where appropriate) covering all Security Interests or other encumbrances affecting the Secured Assets secured by the Security Documents described in Schedule B hereto which are not Permitted Encumbrances. For certainty, (i) the Lender shall have received, in form and substance satisfactory to the Lender in its sole discretion, any and all releases and/or discharges (in registrable form where appropriate) covering all Security Interests in respect of the LMM Indebtedness, and (ii) the Lender will be satisfied, in its sole discretion, with the procedures in place to effect all discharges of security related to the LMM Indebtedness;
 - (ix) legal opinions of counsel to the Credit Parties in all of the Relevant Jurisdictions; and
 - (x) an irrevocable direction to pay with respect to the Advance;
- (b) evidence that all Security Interests pursuant to the Security Documents described in Schedule B hereto have been (i) duly perfected and registered in all Relevant Jurisdictions and any other relevant jurisdiction as required by the Lender and the Lender's Counsel or (ii) if the Lender permits, in its sole and absolute discretion, in respect of any Security Interests which are not so perfected and registered, submitted for perfection and registration in all Relevant Jurisdictions and any other relevant jurisdiction as required by the Lender and the Lender's Counsel;
- (c) there shall be no other Security Interests whatsoever attaching to the Secured Assets, other than Permitted Encumbrances;
- (d) all of the representations and warranties of the Credit Parties contained herein or in any other Facility Document are true and correct on and as of the date of Advance as though

made on and as of such date and the Lender has received a Certificate of the Borrower so certifying to the Lender;

- (e) all of the covenants and agreements of each of the Credit Parties contained herein or in any other Facility Document required to be fulfilled or satisfied on or before the date of Advance have been so fulfilled or satisfied;
- (f) no Default or Event of Default has occurred and is continuing, and the Lender has received a Certificate of the Borrower so certifying to the Lender;
- (g) the Lender has received payment of all fees and all reimbursable expenses so invoiced in connection with this Agreement in accordance with Section 7.4, which are payable by the Borrower or other Credit Party to the Lender on or prior to the date of Advance;
- (h) as at the date of Advance, no event or circumstance shall have occurred or exist that could reasonably be expected to have a Material Adverse Effect on any of the Credit Parties, including but not limited to there being no pending or threatened litigation, proceedings or investigations which could reasonably be expected to have a Material Adverse Effect; and
- (i) such other conditions precedent (including the delivery of such documents, certificates, opinions and agreements) as the Lender may reasonably require,

failing which the Lender shall have no further obligation to the Borrower hereunder and the Borrower shall promptly thereafter pay to the Lender all outstanding fees and expenses, including all out-of-pocket costs reasonably incurred by the Lender in connection with this Agreement.

Waiver

- 5.3 The conditions in Article 5 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part, with or without conditions, as the Lender may determine in its sole and absolute discretion.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Credit Parties

- 6.1 The Credit Parties hereby represent and warrant to the Lender as of the date hereof that:
 - (a) each Credit Party has been duly incorporated or formed and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation to maintain its corporate existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) each Credit Party and any representative signing on its behalf has full power and capacity to enter into each of the Facility Documents to which it is a party and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and each Credit Party has taken all necessary corporate action to duly authorize the creation, execution, delivery and performance of each of the Facility Documents to which it is a party and to observe and

perform the provisions of such Facility Documents in accordance with the provisions thereof;

- (c) the Facility Documents will create valid and legally binding obligations of each Credit Party that is party to them enforceable against each such Credit Party in accordance with their respective terms;
- (d) the entry into and the performance of its obligations under each Facility Document to which it is a party is in its best interests and for a proper purpose;
- (e) none of the execution and delivery of the Facility Documents, the compliance by the Credit Parties with the provisions of the Facility Documents or the consummation of the transactions contemplated herein, does or will: (i) require the consent, approval, Authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, (B) Exchange approval which will be obtained by the Closing Date, which approval is subject to customary conditions to be satisfied following closing of the Advance; (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which any Credit Party is a party or by which it or any of the properties or assets thereof is bound which could reasonably be expected to have a Material Adverse Effect; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the articles or by-laws or partnership agreement, as applicable, of any Credit Party or any resolution passed by the directors (or any committee thereof) or shareholders or unit holders, as applicable, of any Credit Party, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, any arbitrator, stock exchange or securities regulatory authority applicable to any Credit Party or any of the properties or assets thereof;
- (f) Alderon is authorized to issue an unlimited number of Common Shares, of which 133,471,850 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares and Kami GP is authorized to issue an unlimited number of Common Shares, of which 1,000,000 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares;
- (g) the outstanding shares of Alderon are listed and posted for trading on the Exchange;
- (h) except as set forth in Schedule C, none of the Credit Parties own, beneficially or of record, or exercise control or direction over, any shares (or other ownership interests) of any Person;
- (i) except as disclosed in the Disclosure Record, no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement, for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of Alderon or any other Credit Party;
- (j) no Credit Party carries on business, has an office or own any properties or assets located, outside of Canada;
- (k) each Credit Party is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on, in all material respects, the business thereof in compliance with all Applicable Laws of each such jurisdiction;

- (l) each Credit Party has conducted and is conducting its business in compliance in all material respects with Applicable Law and possesses all Authorizations necessary to carry on, in all material respects, the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such Authorizations, and none of the Credit Parties have received any notice of the modification, revocation or cancellation of, any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Authorization;
- (m) Alderon is a reporting issuer or the equivalent in the Reporting Jurisdictions and is in compliance with its obligations under the Applicable Securities Legislation of such jurisdictions and of the Exchange in all respects and is not included in any list of defaulting reporting issuers maintained by the securities commission of such jurisdictions;
- (n) no order, ruling of suspending the sale or ceasing the trading in any securities of Alderon nor prohibiting the sale of such securities has been issued by any securities regulatory authority to and is outstanding against Alderon or its directors, officers or promoters and no investigations or proceedings for such purposes have been, to the knowledge of the Credit Parties, threatened or are pending or contemplated;
- (o) there is not any material change, as defined in the Applicable Securities Legislation, relating to Alderon, which has not been fully disclosed in accordance with the requirements of the Applicable Securities Legislation and the policies of the Exchange;
- (p) no Credit Party has incurred any Indebtedness or guaranteed the obligations of any Person except in respect of any identified as Permitted Indebtedness and the LMM Indebtedness which is to be repaid in full from the proceeds of the Advance;
- (q) Alderon has the corporate power and authority to create, issue and deliver the Securities;
- (r) Alderon has complied with all Applicable Securities Legislation in connection with the issuance of the Securities, in each case including, but not limited to, receiving the approval of the Exchange, as required, in respect of the listing of the Securities on the Exchange;
- (s) the issuance of the Securities will be exempt from the prospectus requirements of Applicable Securities Legislation of Canada and no document will be required to be filed and no proceeding taken or approval, permit, consent, order or Authorization obtained under any such Applicable Securities Legislation in connection with the first trade of the Securities (assuming that: at the time of such trade, at least four months have elapsed from the "distribution date" (as such term is defined in NI 45-102)); such trade is not a "control distribution" as defined in NI 45-102; no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; no extraordinary commission or consideration is paid to a person or company in respect of the trade; and, if any Lender is an insider of Alderon, it has no reasonable grounds to believe that Alderon is in default of "securities legislation" (as defined in National Instrument 14-101 *Definitions*));
- (t) the contracts, agreements and other documents listed in Schedule D represent all Material Contracts of the Credit Parties, true and complete copies of which have been provided to the Lender;
- (u) any and all of the agreements and other documents and instruments pursuant to which any Credit Party holds the property and assets thereof (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof. No Credit Party is in default of any of the provisions of any such agreements, documents or

instruments in any material respect nor has any such default been alleged, and such properties and assets are in good standing under the Applicable Laws of the jurisdictions in which they are situated, and all leases, licenses and claims pursuant to which any Credit Party derives the interests thereof in such property and assets are in good standing and there has been no default under any such lease, licence or claim. None of the properties (or any interest in, or right to earn an interest in, any property) of any Credit Party is subject to any right of first refusal or purchase or acquisition right;

- (v) except as qualified by the disclosure therein and except as otherwise permitted herein (including with respect to Permitted Encumbrances), the Credit Parties are the legal and beneficial owners of the respective properties, business and assets referred to as being owned by them in the Disclosure Record;
- (w) each Credit Party holds either freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in properties in which it has an interest as described in the Disclosure Record under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit such Credit Party to explore and extract the minerals relating thereto, all such property, leases or claims and all property, leases or claims in which any Credit Party has an interest or right have been validly located and recorded in accordance with Applicable Law in all respects and are valid and subsisting, the Credit Parties have all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Credit Parties have an interest as described in the Disclosure Record granting the applicable Credit Parties the right and ability to explore and extract for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the applicable Credit Parties, with only such exceptions as do not interfere with the use made by the applicable Credit Parties of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the applicable Credit Party;
- (x) each Credit Party owns or has the right to use under license, sub-license or otherwise all intellectual property used by it in its business, including copyrights, industrial designs, trademarks, trade secrets, know-how and proprietary rights, free and clear of any and all Security Interests;
- (y) except for Permitted Encumbrances, there are no royalty obligations or similar obligations applicable to the properties of any Credit Party, including but not limited to the property interests comprising the Project;
- (z) no Credit Party has approved entering into any agreement in respect of (i) the sale of any property of such Credit Party, or assets or any interest therein or the sale, transfer or other disposition of any property of such Credit Party, or assets or any interest therein currently owned, directly or indirectly, by such Credit Party whether by asset sale, transfer of shares or otherwise or (ii) any Change of Control;
- (aa) no portion of the Disclosure Record contains an untrue statement of a material fact as of the date thereof nor does it omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (bb) the consolidated financial statements of Alderon contained in the Disclosure Record are in accordance with the Corporations Act, including giving a true and fair view of the consolidated entity's financial position as at the date thereof comply with IFRS, and no

adverse material changes in the financial position of any Credit Party has taken place since the date thereof;

- (cc) none of the Credit Parties has any liabilities, fixed or contingent, of the type required to be reflected as liabilities in financial statements prepared in accordance with IFRS, that are not reflected in the consolidated financial statements of Alderon contained in the Disclosure Record, in the notes thereto or otherwise disclosed in writing to the Lender, other than in respect of Permitted Indebtedness;
- (dd) Alderon's Auditors are independent chartered accountants and have participant status with the Canadian Public Accountability Board as required under Applicable Securities Legislation and there has never been a reportable disagreement (within the meaning of National Instrument 51-102) between Alderon and Alderon's Auditors;
- (ee) Alderon has in all material respects complied with all continuous disclosure obligations under Applicable Securities Legislation and the rules and regulations of the Exchange and, without limiting the generality of the foregoing, there has not occurred any Material Adverse Effect that is continuing and which has not been publicly disclosed on a non-confidential basis; the information and statements in the Disclosure Record were true and correct at the time such documents were filed on SEDAR or EDGAR, as applicable, and contained no misrepresentation as of the respective dates of such information and statements; the Disclosure Record conformed in all material respects to Applicable Securities Legislation at the time such documents were filed on SEDAR or EDGAR, as applicable; and Alderon has not filed any confidential material change reports which remain confidential as at the date hereof;
- (ff) all taxes, duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto due and payable by any Credit Party have been paid, except any non-payment that would not reasonably be expected to have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by any Credit Party have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings were, at the time of filing, complete and accurate in all material respects and no material fact or facts have been omitted therefrom which could make any of them misleading. There are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by any Credit Party and no examination of any tax return of any Credit Party is currently in progress (save in respect of any issue, dispute or examination which the relevant Credit Party (or Credit Parties) is disputing in good faith and pursuant to appropriate proceedings diligently conducted);
- (gg) (i) no Credit Party is in material violation of any Environmental Laws including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum by-products (collectively, "**Hazardous Materials**") or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (ii) each Credit Party has all material Authorizations required under any applicable Environmental Laws and, each Credit Party is in compliance with such material Authorizations; (iii) there are no pending or, to any Credit Party's knowledge, threatened administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against any Credit Party; and (iv) there are no events or circumstances that could reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Authority, against or affecting any Credit Party relating to any Environmental Laws;

- (hh) each Credit Party operates its business in compliance in all material respects with all Applicable Laws relating to employment and there are no legal proceedings nor, to the knowledge of any Credit Party, any threatened legal proceedings, against any Credit Party pursuant to any Applicable Laws relating to employment. There are no outstanding decisions, orders or settlements or pending settlements under any Applicable Laws relating to employment which place any obligation upon any Credit Party to do or refrain from doing any act and which could reasonably be expected to have a Material Adverse Effect. Each Credit Party is up to date in the payment of all premiums or assessments under applicable workers compensation and profit sharing or other worker safety legislation applicable in the Relevant Jurisdictions, and no Credit Party is subject to any special assessment or penalty under any such legislation;
- (ii) none of the directors, officers or employees of any Credit Party or any Affiliate of a Credit Party had or has any material interest, direct or indirect, in any transaction or any proposed transaction with any Credit Party which, as the case may be, or will materially affect any Credit Party;
- (jj) the assets of each Credit Party and their respective businesses and operations are insured against loss or damage with insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, such coverage is in full force and effect, and no Credit Party has failed to promptly give any notice of any material claim thereunder. There are no claims by any Credit Party under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights or similar clause;
- (kk) no Credit Party is in violation of any term of its Constatng Documents. No Credit Party is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, and there is no action, suit, proceeding or investigation commenced, pending or threatened which, either in any case or in the aggregate, could reasonably be expected to result in any Material Adverse Effect or which places, or could place, in question the validity or enforceability of this Agreement, or any document or instrument delivered, or to be delivered, by any Credit Party pursuant hereto;
- (ll) no Credit Party is in default of any term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are subject that could reasonably be expected to have a Material Adverse Effect, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which any Credit Party is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could reasonably be expected to have a Material Adverse Effect;
- (mm) no Credit Party has committed any act of bankruptcy or is insolvent, and no Credit Party has proposed a compromise or arrangement to its respective creditors generally, has had a petition or receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied upon any of its property;
- (nn) there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to any Credit Party's knowledge, threatened against or adversely affecting any Credit Party or to which any of their property or assets is subject, at law or equity, or before or by any

Governmental Authority and no Credit Party is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority;

- (oo) no Credit Party and no director or officer, and to the best of the knowledge of the Credit Parties after all due inquiry, no agent, employee or other Person acting on behalf of any Credit Party has, in the course of its actions for, or on behalf of, any Credit Party (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Corruption of Foreign Public Officials Act (Canada), the US Foreign Corrupt Practices Act of 1977, or any other similar laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official, employee or other Person; and
- (pp) no Credit Party enjoys immunity from suit or execution in relation to its obligations under any Facility Document to which it is a party.

Acknowledgement

- 6.2 The Credit Parties acknowledge that the Lender is relying upon the representations and warranties in this Article 6 in discharging its obligations under this Agreement and that such representations and warranties are made effective as at the Closing Date and shall be deemed to be restated in every respect effective on the date the Advance is made.

Survival and Inclusion

- 6.3 The representations and warranties in this Article 6 will survive the termination of this Agreement. All statements, representations and warranties contained in any other Facility Document or in any instruments delivered by or on behalf of the Credit Parties or the Lender pursuant to this Agreement or any other Facility Document will be deemed to constitute statements, representations and warranties made by the Credit Parties to the Lender under this Agreement.

Representations and Warranties of the Lender

- 6.4 The Lender hereby represents and warrants to Borrower as of the date hereof and as of the date of the Advance that:
- (a) the Lender has been duly formed and organized under the laws of its jurisdiction of formation and is validly existing and is, in all material respects, current and up-to-date with all filings required to be made under the laws of its jurisdiction of formation to maintain its existence and has all requisite power to enter into this Agreement and perform its obligations hereunder, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) the Lender and any representative signing on its behalf has full power and capacity to enter into this Agreement and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof;
 - (c) upon the execution and delivery thereof, this Agreement will create legal, valid and binding obligations of the Lender, enforceable against the Lender in accordance with its terms;
 - (d) the Lender is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions* (by virtue of paragraph (m) of the definition); and

- (e) the Lender has not been created, or is used, solely to purchase or hold securities in reliance on an exemption from the prospectus requirements of Applicable Securities Legislation.

ARTICLE 7 COVENANTS OF THE CREDIT PARTIES

General Covenants

- 7.1 While any Facility Indebtedness is outstanding or the Facility remains available to the Borrower, the Credit Parties covenant with the Lender that, except with the prior written consent of the Lender:
- (a) the Borrower will duly and punctually pay or cause to be paid to the Lender each Amount Payable, on the dates, at the places, in the currency and in the manner mentioned herein, including, without limitation, upon acceleration of the Facility Indebtedness under Section 8.2, the outstanding balance of the Facility;
 - (b) except as otherwise permitted pursuant to this Agreement, they will at all times maintain their corporate or partnership existence, obtain and maintain all Authorizations required or necessary in connection with their business and/or any of the Secured Assets and to carry on and conduct their business in accordance with prudent industry standards;
 - (c) they will keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of its dealings and transactions in relation to their business in accordance with IFRS, and at all reasonable times they will furnish or cause to be furnished to the Lender or its duly authorized agent or attorney such information relating to their operations as the Lender may request and such books of account shall be open for inspection by the Lender or such agent or attorney, upon reasonable prior notice and during regular business hours in the location of the requested information;
 - (d) they will provide the Lender and its representatives or such agent or attorney access to all properties, assets and books and records, upon reasonable prior notice and during regular business hours;
 - (e) they will ensure that each of the Security Documents will at all times constitute valid and perfected first ranking security on all of the Secured Assets, subject only to Permitted Encumbrances, and at all times take all actions necessary or reasonably requested to create, perfect and maintain the Security Interests granted pursuant to the Security Documents as perfected first ranking security over the Secured Assets, subject only to Permitted Encumbrances;
 - (f) they will duly and punctually perform and carry out all of the covenants and acts or things to be done by them as provided in this Agreement and each of the Security Documents;
 - (g) they will comply in all material respects with all Applicable Law and Alderon will comply in all material respects with Applicable Securities Legislation;
 - (h) they will: (i) maintain policies of insurance with carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Credit Parties operate, and add and maintain the Lender as first loss payee and a named insured under all such policies to the extent of its interest; and (ii) on an annual basis and/or at any other time, promptly at the request of the Lender, deliver to the Lender all certificates and reports prepared in connection with such insurance;

- (i) they will immediately notify the Lender in writing upon becoming aware of: (i) any Default, or (ii) any suit, proceeding or governmental investigation pending or, to any Credit Party's knowledge, threatened or any notification of any challenge to the validity of any Authorization, relating to the Credit Parties, which could reasonably be expected to have a Material Adverse Effect, or relating to any of the Secured Assets;
- (j) they will maintain or cause to be maintained the Secured Assets in good condition in accordance with prudent industry standards (subject to normal wear and tear);
- (k) provide the Lender, on or before the 20th day after the end of each calendar month, with consolidated monthly financial and operational reports, consisting of the consolidated Credit Parties' balance sheet, income statement, statement of accounts payables and accrued liabilities, standard monthly costs and operating reports provided to management or the board of directors, in the form agreed with the Lender from time to time, and such other information with respect to the Credit Parties as the Lender may reasonably request;
- (l) the Credit Parties will, on a consolidated basis and as determined by reference to the previously filed (or, if applicable pursuant to Section 7.5, delivered) reports and the consolidated monthly reports referred to in Section 7.1(k), maintain, at all times, Working Capital in excess of \$1,400,000. Working Capital shall be converted from Canadian dollars to United States by multiplying the Canadian dollar amount of Working Capital by the daily average exchange rate for the conversion of Canadian to U.S. dollars set by the Bank of Canada as at the Business Day immediately on the date of calculation;
- (m) they will pay and discharge or cause to be paid and discharged, promptly when due, all taxes, assessments and governmental charges or levies imposed upon them or in respect of any of the Secured Assets or upon the income or profits therefrom except for Permitted Encumbrances as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become a Security Interest thereupon; provided however, that they shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted;
- (n) they will cause all necessary and proper steps to be taken diligently to protect and defend the Secured Assets and the proceeds thereof against any material adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand; and
- (o) if and to the extent that any Credit Party holds or is granted any Security Interests, it will take all steps necessary to ensure that all such Security Interests which it holds are attached, enforceable and continuously perfected under the PPSA (or such similar legislation pursuant to which such Security Interest is granted) until the obligations they secure are satisfied or they are released for value.

Negative Covenants of the Credit Parties

- 7.2 The Credit Parties hereby covenant and agree with the Lender that, except with prior written consent of the Lender, they will not:
- (a) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any Indebtedness other than Permitted Indebtedness;

- (b) directly or indirectly create, incur, assume, permit or suffer to exist any Security Interest against any of their properties or assets, including, without limitation, any of the Secured Assets or the Material Contracts, other than Permitted Encumbrances;
- (c) convey, sell, lease, assign, transfer or otherwise dispose of (i) any of their properties or assets other than pursuant to a Permitted Disposal or (ii) directly or indirectly, any interest in a Credit Party;
- (d) materially amend, modify, vary or terminate any Material Contract, license, permit or other Authorization now held by any of the Credit Parties in a manner which could reasonably be expected to have a Material Adverse Effect;
- (e) enter into any scheme for the reconstruction or reorganization of it or any of its Subsidiaries or for the consolidation, amalgamation, merger, arrangement or similar transaction of it or any of its Subsidiaries with or into any other Person;
- (f) make any prepayment on, purchase, redeem, or otherwise acquire or retire for value, prior to any scheduled final maturity, any Indebtedness other than (i) the Facility Indebtedness or (ii) the LMM Indebtedness from the proceeds of the Advance, or (iii) pursuant to the terms of any written subordination or similar agreement with the Lender in respect of any Indebtedness subordinated on terms satisfactory to the Lender;
- (g) purchase, redeem, retire, repurchase and cancel or otherwise acquire for cash any securities;
- (h) make any change to their Constatting Documents in a manner that adversely affects the interests of the Lender or any Security Interest granted to the Lender under the Security Documents;
- (i) change the name of any Credit Party without the prior written approval of the Lender, which approval shall not to be unreasonably withheld;
- (j) transfer or permit the transfer of any shares, units or other equity interests of any Credit Party held by Alderon or otherwise allow any Credit Party to cease to be directly or indirectly held by Alderon as set out in Schedule C;
- (k) declare or provide for any dividends or other payments or distributions based on share capital other than a dividend or distribution paid by one Credit Party to another Credit Party;
- (l) pay out any shareholders loans or other indebtedness to non-arm's length parties or enter into any transactions with any non-arm's-length parties other than on commercially reasonable terms;
- (m) make any payments to shareholders or affiliates not otherwise permitted hereunder;
- (n) incur any Contingent Liability for the obligations of any other Person, directly or indirectly, other than obligations permitted by this Agreement, including any Permitted Indebtedness;
- (o) enter into or become party or subject to any dissolution, winding-up, reorganization, arrangement or similar transaction or proceeding; or
- (p) engage in the conduct of any business other than the business of such Credit Party as existing on the date of this Agreement or in businesses reasonably related thereto on a

basis consistent with the conduct of such business as conducted on the date of this Agreement.

Continued Listing

- 7.3 Alderon shall take all reasonable steps and actions as may be required to maintain the listing and posting for trading of the Common Shares on the Exchange and to maintain its status as a "reporting issuer", or the equivalent thereof not in default of the requirements of the Applicable Securities Legislation in the Reporting Jurisdictions.

To Pay Lender's Fees and Expenses

- 7.4 The Borrower will pay for the Lender's reasonable legal fees (on a solicitor and own client basis) and all other costs, charges and expenses (including all due diligence expenses) of and incidental to the preparation, execution and completion of this Agreement and the other Facility Documents (including reasonable notaries' and translator's fees where such notarial and translation services are customarily required), and all amendments thereto, and as may be required by the Lender or the Lender's Counsel to complete or facilitate the transactions contemplated herein including but not limited to technical consulting and other due diligence costs. The Borrower further covenants and agrees to pay all of the Lender's reasonable legal fees (on a solicitor and own-client basis) and all other costs, charges and expenses of and incidental to the recovery of all amounts owing hereunder, including but not limited to those incurred in connection with the enforcement of this Agreement and the other Facility Documents and the realization of the Security. All amounts will be payable upon demand. If not paid within 30 days of demand, all such amounts will be added to and form part of the principal amount of the Facility and shall accrue interest from the date of demand as if such amounts had been advanced by the Lender to the Borrower hereunder on such date. On or subsequent to the date of execution of the Term Sheet, the Borrower deposited with the Lender a retainer of \$100,000, which amount shall be credited against the Borrower's obligation to pay the Lender's legal fees pursuant to the first sentence of this Section 7.4.

Comply with Continuous Disclosure Obligations

- 7.5 Alderon shall timely file all documents that must be publicly filed or sent to its shareholders pursuant to Applicable Securities Legislation within the time prescribed by such Applicable Securities Legislation and make such documents available on the System for Electronic Document Analysis and Retrieval within such prescribed time period. If Alderon is not at any time subject to Applicable Securities Legislation, Alderon shall continue to provide to the Lender: (i) within 120 days after the end of each fiscal year, copies of its annual report and audited annual financial statements, and (ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports by a "reporting issuer" (as such term is defined in such Applicable Securities Legislation) under the Applicable Securities Legislation. Each of such reports will be prepared in accordance with the disclosure requirements of Applicable Securities Legislation in all material respects.

To Pay Additional Amounts

- 7.6 The Borrower will, from time to time, promptly pay or make provisions satisfactory to the Lender for the payment of any additional amounts, including Taxes and charges which may be imposed on the Borrower by the laws of Canada or any Province thereof (except income tax or security transfer Tax, if any) which shall be payable with respect to the Facility.
- 7.7 Any and all payments by or on account of any obligation of the Credit Parties hereunder or under any other Facility Document, as applicable, shall be made free and clear of and without

deduction or withholding for any Taxes except as required by Applicable Law. If the Lender is required by applicable law to deduct or withhold any Taxes from such payments, then:

- (a) the amount payable by the applicable Credit Party shall be increased so that after all such required deductions or withholdings are made (including deductions or withholdings applicable to additional amounts payable under this Section), the Lender receives an amount equal to the amount it would have received had no such deduction or withholding been made, and
- (b) the Lender shall make such deductions or withholdings and pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law.

Further Assurances

- 7.8 Each of the Credit Parties shall, from time to time, as may be reasonably required by the Lender, execute and deliver such further and other documents and do all matters and things which are necessary to carry out the intention and provisions of this Agreement.

Lender May Perform Covenants

- 7.9 If any of the Credit Parties shall fail to perform any of its respective covenants contained in this Agreement or any of the other Facility Documents, the Lender may, upon becoming aware of such failure, in its discretion, but need not, itself perform any of such covenants capable of being performed by it, but is under no obligation to do so. All reasonable sums so required to be paid in connection with the Lender's performance of any covenant will be paid by the Credit Parties and all sums so paid shall be payable by the Credit Parties in accordance with the provisions of Section 7.4 hereof. No such performance by the Lender of any such covenant or payment or expenditure by any Credit Party of any sums advanced or borrowed by the Lender pursuant to the foregoing provisions shall be deemed to relieve any of the Credit Parties from any default hereunder or their respective continuing obligations hereunder.

ARTICLE 8 DEFAULT AND ENFORCEMENT

Events of Default

- 8.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:
- (a) if the Borrower fails to make any payment of any principal amount of the Facility or interest payable hereunder, when due;
 - (b) if the Borrower fails to pay any fees, costs or other amounts or charges payable to the Lender hereunder when due and such failure shall continue unremedied for a period of three (3) Business Days after written notice from the Lender;
 - (c) if any Credit Party defaults in observing or performing any covenant or condition set out in Section 7.1(l) or Section 7.2 of this Agreement;
 - (d) if any Credit Party defaults in observing or performing any covenant or condition of this Agreement or any other Facility Document (other than any covenant or condition referred to in Section 8.1(c)) on its part to be observed or performed and, with respect to such covenants or conditions which are capable of being cured, if such default continues for a period of ten (10) Business Days, after the earlier of knowledge thereof by the relevant Credit Party or notice thereof from the Lender;

- (e) any Facility Document ceases to be in full force and effect or any Security Document ceases to constitute a valid and perfected first priority Security Interest (subject only to Permitted Encumbrances) upon all the Secured Assets it purports to charge or encumber, in favour of the Lender;
- (f) the institution by any Credit Party of proceedings to be adjudicated a bankrupt or insolvent or any similar proceedings or the seeking by it of liquidation, reorganization or relief under any applicable federal, provincial, state or other law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the filing by it of any such petition or to the appointment under any such law of a receiver, receiver-manager, liquidator, assignee, trustee or other similar official of any Credit Party of all or substantially all of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;
- (g) any proceedings are commenced by a Person other than a Credit Party for the bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution or any similar proceedings of any Credit Party and such proceedings are not dismissed or stayed within 60 days after commencement thereof;
- (h) the entry of a decree or order by a court having jurisdiction adjudging any Credit Party a bankrupt or insolvent or approving as properly filed an application or a petition seeking liquidation, reorganization, arrangement or adjustment of or in respect of the Credit Party under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or appointing under any such law a receiver, receiver-manager, liquidator, assignee, trustee or other similar official of any Credit Party or of all or substantially all of its property, or ordering pursuant to any such law the winding-up or liquidation of its affairs and such decree or order continues unstayed and in effect greater than 30 days after such filing;
- (i) this Agreement or any Security Document is claimed by any Credit Party to, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of the Credit Party;
- (j) this Agreement or any Security Document shall for any reason other than paragraph (i) above, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of the Credit Party;
- (k) any Credit Party fails to pay the principal of, premium, if any, interest on, or any other amount owing in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$250,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace or cure period, if any, specified in the agreement or instrument relating to such Indebtedness or obligation; or any other event occurs or condition exists and continues after the expiry of the applicable grace or cure period, if any, specified in any agreement or instrument relating to any such Indebtedness or obligation, if its effect is to accelerate or permit the acceleration of, such Indebtedness or obligation; or any such Indebtedness or obligation shall be, or may be, declared to be due and payable prior to its stated maturity, in each case in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$250,000, provided that if the validity of the claim to any such Indebtedness is being contested through legal proceedings by the relevant Credit Party in good faith and the action in respect of such claim is dismissed, stayed or withdrawn within thirty (30) days after the commencement of legal proceedings in respect thereof, such Indebtedness will not be considered Indebtedness for the purposes of this Section;

- (l) any representation or warranty given by any Credit Party in this Agreement or any other Facility Document shall prove to be incorrect or misleading in a material way;
- (m) the occurrence or existence of any event or circumstance which has or could reasonably be expected to have a Material Adverse Effect, in the opinion of the Lender, acting reasonably;
- (n) any destruction, suspension or abandonment of the Project or any material part thereof which destruction, suspension or abandonment causes any material reduction in the valuation thereof which is not compensated by insurance in such a way as it could not reasonably be expected to have a Material Adverse Effect;
- (o) if any of the Credit Parties or their Subsidiaries cease or threaten to cease to carry on business;
- (p) final non-appealable judgments or decrees for the payment of money in excess of \$250,000 in the aggregate, are rendered against any Credit Party or any of them by courts having jurisdiction, and such judgments or decrees have not been paid in full by any Credit Party within 30 days after such judgments or decrees have become final non-appealable judgments or decrees.

Acceleration on Default

- 8.2 If any Event of Default shall occur and be continuing, the Lender may (i) by notice to the Borrower, (A) declare its commitment to advance the Facility or any portion thereof to be terminated, whereupon the same shall forthwith terminate and (B) declare the entire unpaid principal amount of the Facility, all interest accrued and unpaid thereon and all other fees, charges and costs hereunder to be forthwith due and payable, whereupon the principal amount of the Facility, all such accrued interest and all other fees, charges and costs hereunder shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower or any other Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other similar such legislation in other jurisdictions including the result which would otherwise occur only upon giving of notice by the Lender to the Borrower under this Section 8.2, shall occur automatically without the giving of any such notice; and (ii) whether or not the actions referred to in clause (i) have been taken, (X) exercise any or all of the Lender's rights and remedies under the Security Documents, and (Y) proceed to enforce all other rights and remedies available to the Lender under this Agreement, the Security Documents and Applicable Law.

Waiver of Default

- 8.3 If an Event of Default shall have occurred, the Lender shall have the power to waive any Event of Default hereunder if, in the Lender's opinion, the same shall have been cured or adequate provision made therefor, upon such terms and conditions as the Lender may consider advisable, provided that no delay or omission of the Lender to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

Enforcement by the Lender

- 8.4 If an Event of Default shall have occurred and be continuing, but subject to Section 8.3 hereof:

- (a) the Lender may in its sole discretion proceed to enforce, and to instruct any other Person to enforce, the rights of the Lender by any action, suit, remedy or proceeding authorized or permitted by this Agreement or any of the Security Documents or by law or equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Lender in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to any Credit Party; and
- (b) no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

Application of Moneys

- 8.5 Except as otherwise provided herein, any moneys arising from any enforcement hereof or any of the Security Documents or other proceedings against any Credit Party pursuant hereto or any of the Security Documents or from any trustee in bankruptcy or liquidation of any of the Credit Parties, shall be held by the Lender and applied by it, together with any moneys then or thereafter in the hands of the Lender available for the purpose, as follows:
- (a) first, in payment or reimbursement to the Lender of the remuneration, expenses, disbursements, and advances of the Lender earned, incurred or made in the administration or enforcement of this Agreement and the Security Documents or otherwise in relation to this Agreement and any of the Security Documents with interest thereon as herein provided;
 - (b) second (but subject to Section 7.4 hereof and this Section 8.5), in or towards payment of all Amounts Payable; and
 - (c) third, the surplus (if any) of such moneys shall be paid to the Borrower or as it may direct.

Persons Dealing with Lender

- 8.6 No Person dealing with the Lender or any of its agents shall be required to enquire whether an Event of Default has occurred, or whether the powers which the Lender is purporting to exercise have become exercisable, or whether any moneys remain due under this Agreement, or to see to the application of any moneys paid to the Lender, and in the absence of fraud on the part of such Person, such dealing shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

Lender Appointed Attorney

- 8.7 Effective upon acceleration as set out in Section 8.2, the Credit Parties irrevocably appoint the Lender to be the attorney of the Credit Parties in the name and on behalf of the Credit Parties to execute any instruments and do any things which the Credit Parties ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Agreement and generally to use the name of the Credit Parties in the exercise of all or any of the powers hereby conferred on the Lender with full powers of substitution and revocation. Such power of attorney, being coupled with an interest, is irrevocable.

Remedies Cumulative

- 8.8 No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any Facility Document or now or hereafter existing by law or by statute.

ARTICLE 9 NOTICES

Notice to the Credit Parties

- 9.1 Any notice to the Credit Parties under the provisions of this Agreement or any other Facility Document shall be valid and effective if delivered personally, by courier to or, if given by registered mail, postage prepaid, addressed to, the relevant Credit Party at Suite 1240 - 1140 West Pender Street, Vancouver, B.C., Canada V6E 4G1, Fax (604) 681-8039, Attention: Chief Executive Officer, and shall be deemed to have been given on the date of personal delivery, when sent by facsimile transmission if so delivered or sent prior to 5:00 pm (Toronto time) on a Business Day and otherwise on the next Business Day, or on the fifth Business Day after such letter has been mailed, as the case may be. Any Credit Party may from time to time notify the Lender of a change in address which thereafter, until changed by further notice, shall be the address of the Credit Party for all purposes of this Agreement.

Notice to the Lender

- 9.2 Any notice to the Lender under the provisions of this Agreement shall be valid and effective if delivered personally, by courier or by facsimile transmission to or, if given by registered mail, postage prepaid, addressed to the Lender at its principal office at Suite 2600, 200 Bay Street, Toronto, ON M5J 2J1, Tel: (416) 977-7222, Fax: (416) 977-9555, Attention: Chief Financial Officer, and shall be deemed to have been given on the date of delivery personally or by facsimile transmission if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the fifth Business Day after such letter has been mailed, as the case may be. The Lender may from time to time notify the Borrower of a change in address which thereafter, until changed by further notice, shall be the address of the Lender for all purposes of this Agreement.

Waiver of Notice

- 9.3 Any notice provided for in this Agreement may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

ARTICLE 10 INDEMNITIES

General Indemnity

- 10.1 Each of the Credit Parties expressly declares and agrees as follows:
- (a) the Lender, its partners and its and their directors, officers, employees, and agents, and all of their respective representatives, heirs, successors and assigns (collectively the "Indemnified Parties") will at all times be indemnified and saved harmless by the Credit Party from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Agreement and the other Facility Documents, including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Lender contemplated hereby, reasonable legal fees and disbursements on a solicitor and own client basis and all reasonable costs and expenses incurred in connection with the enforcement of this indemnity, which the Lender may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Lender and including any act, deed, matter or thing in relation to the registration, perfection, release or discharge of security. The foregoing provisions of

this subsection do not apply in any circumstances where any Indemnified Party was grossly negligent or acted with wilful misconduct in relation to their obligations hereunder or otherwise in connection with or under this Agreement and the Facility Documents. This indemnity shall survive the termination of this Agreement; and

- (b) the Lender may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cable, facsimile or other paper or electronic document reasonably believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

Environmental Indemnity

10.2 Each of the Credit Parties hereby indemnifies and holds harmless the Indemnified Parties against any loss, expenses, claim, proceedings, judgment, liability or asserted liability (including strict liability and including costs and expenses of abatement and remediation of spills or releases of contaminants and including liabilities of the Indemnified Parties to third parties (including governmental agencies) in respect of bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities of the Indemnified Parties to third parties for the third parties' foreseeable and unforeseeable consequential damages) incurred as a result of or in connection with the administration or enforcement of this Agreement or any other Facility Document, including the exercise by the Lender of any rights hereunder or under the Security Documents, which result from or relate, directly or indirectly, to:

- (a) the presence or release of any contaminants, by any means or for any reason, on the Secured Assets, whether or not release or presence of the contaminants was under the control, care or management of the Credit Party or of a previous owner, or of a tenant; or
- (b) the breach or alleged breach of any Environmental Laws by the Credit Party.

The foregoing provisions of this Section do not apply in any circumstances where any Indemnified Party was grossly negligent or acted with wilful misconduct in relation to their obligations hereunder or otherwise in connection with or under this Agreement and the Facility Documents. For purposes of this Section, "liability" shall include (a) liability of an Indemnified Party for costs and expenses of abatement and remediation of spills and releases of contaminants, (b) liability of an Indemnified Party to a third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Party is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, (c) liability of the Indemnified Party for damage suffered by the third party, (d) liability of an Indemnified Party for damage to or impairment of the environment and (e) liability of an Indemnified Party for court costs, expenses of alternative dispute resolution proceedings, and fees and disbursements of expert consultants and legal counsel on a solicitor and client basis.

Action by Lender to Protect Interests

10.3 The Lender shall have the power to institute and maintain all and any such actions, suits or proceedings and to take any other action as it may consider necessary or expedient to preserve, protect or enforce its interests.

**ARTICLE 11
MISCELLANEOUS**

Amendments and Waivers

- 11.1 No amendment to any provision of the Facility Documents shall be effective unless it is in writing and has been signed by the Lender and the Credit Parties who are party to that Facility Document, and no waiver of any provision of any Facility Document, or consent to any departure by the relevant Credit Party therefrom, shall be effective unless it is in writing and has been signed by the Lender. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

No Waiver; Remedies Cumulative

- 11.2 No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under the Facility Documents are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Lender.

Survival

- 11.3 All covenants, agreements, representations and warranties made in any Facility Documents shall, except to the extent otherwise provided therein, survive the execution and delivery of this Agreement and each Advance, and shall continue in full force and effect so long as any Advance remains outstanding or any other Obligations remain unpaid or any obligation to perform any other act hereunder or under any other Facility Document remains unsatisfied.

Benefits of Agreement

- 11.4 The Facility Documents are entered into for the sole protection and benefit of the parties hereto and their successors and permitted assigns, and no other Person (other than the Indemnified Parties) shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with, any Facility Document.

Binding Effect; Assignment; Syndication

- 11.5 This Agreement shall become effective when it shall have been executed by the parties hereto and thereafter shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. The Credit Parties shall not have the right to assign their rights and obligations hereunder or under the other Facility Documents or any interest herein or therein without the prior written consent of the Lender, which may be withheld in the Lender's sole discretion. The Lender reserves the right to sell, assign, transfer or grant participations in all or any portion of the Lender's interests, rights and obligations hereunder and under the other Facility Documents to any other Person, upon notice to, but without the consent of, the Credit Parties. In the event of any sale, assignment or transfer by the Lender of all of its interests, rights and obligations hereunder and under the other Facility Documents, upon notice thereof to the Credit Parties, the assignee shall be deemed the "Lender" for all purposes of the Facility Documents with respect to the rights and obligations assigned to it, the obligations of the Lender so assigned shall thereupon terminate and the assigning Lender shall be released from all obligations to the Credit Parties in respect thereof. The Credit Parties shall, from time to time upon request of the Lender at the Lender's expense, enter into such amendments to the Facility Documents and execute and deliver such other documents as shall be necessary to effect any such grant or assignment and maintain the perfected security interest created by the Security Documents. The Credit Parties acknowledge and agree that the Lender is authorized to

disclose to any lender, assignee or participant hereunder and any prospective lender, assignee or participant hereunder any and all financial and other information concerning the Credit Parties, their respective properties and assets and the Facility and any other transactions contemplated herein, whether received by the Lender or derivative thereof, in connection with the Lender's credit evaluation, internal reporting, or other activities reasonably incidental to the management or administration of the Facility, including in connection with the enforcement thereof, so long as the recipient thereof agrees not to disclose any confidential, non-public information to any person other than its employees, accountants, legal counsel or other representatives, unless required by law.

Judgment Currency

- 11.6 If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Lender could purchase Dollars with such other currency at the buying spot rate of exchange in the foreign exchange markets on the Business Day immediately preceding that on which any such judgment, or any relevant part thereof, is given.
- 11.7 The obligations of the Credit Parties in respect of any sum due to the Lender hereunder and under the other Facility Documents shall, notwithstanding any judgment in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in such other currency the Lender may, in accordance with normal banking procedures, purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to the Lender in Dollars, each of the Credit Parties agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss. If the amount of Dollars so purchased exceeds the sum originally due to the Lender in Dollars, the Lender shall remit such excess to the relevant Credit Parties.

Entire Agreement

- 11.8 The Facility Documents reflect the entire agreement between the parties hereto with respect to the matters set forth herein and therein and supersede any prior agreements, commitments, drafts, communication, discussions and understandings, oral or written, with respect thereto, including but not limited to the Term Sheet.

Payments Set Aside

- 11.9 To the extent that any payment by or on behalf of the Borrower is made to the Lender, or the Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies Creditors Arrangement Act (Canada)* and the *Winding-up and Restructuring Act (Canada)* or other Canadian federal, provincial or foreign liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws, or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

Severability

- 11.10 Whenever possible, each provision of the Facility Documents shall be interpreted in such manner as to be effective and valid under all Applicable Laws. If, however, any provision of any

of the Facility Documents shall be prohibited by or invalid under any such Applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Applicable Law, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of such Facility Document, or the validity or effectiveness of such provision in any other jurisdiction.

Confidentiality

- 11.11 The Credit Parties and the Lender each agree that it shall maintain as confidential and, without the prior written consent of the relevant party(ies), shall not disclose any non-public information concerning the other party or its business and operations, provided that a party may disclose such information:
- (a) where such information becomes publicly available or widely known by the public other than by a breach of this Agreement, or is known by the receiving party prior to the entry of this Agreement or obtained independently of this Agreement, and the disclosure of such information would not breach any other confidentiality obligations;
 - (b) if required by Applicable Law or requested by any Governmental Authority (including any regulatory or securities authority) having jurisdiction over such party;
 - (c) to its directors, officers, employees, advisors and representatives who need to have knowledge of such information; and
 - (d) if required in the Lender's sole opinion, in connection with any collection of the Facility or any realization or enforcement of the Security Documents or other similar or related proceeding.

The Lender further agrees to use any non-public information concerning the other party solely for the purposes of the transactions contemplated hereunder, including all aspects of the administration of the Facility.

Public Disclosure

- 11.12 If any Credit Party is required by Applicable Law to file a copy of this Agreement on SEDAR (or otherwise publicly file a copy of this Agreement), the Credit Party shall consult with the Lender with respect to, and agree upon, any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR (or otherwise). If the parties are unable to agree on such redactions, the Credit Party shall redact this Agreement to the fullest extent permitted by Applicable Laws before filing it on SEDAR (or otherwise).

Counterparts and facsimile

- 11.13 This Agreement may be executed in counterparts and by electronic transmission of an authorized signature and each such counterpart shall be deemed to form part of one and the same document.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their proper officers duly authorized in that behalf.

THE KAMI MINE LIMITED PARTNERSHIP by its general partner
KAMI GENERAL PARTNER LIMITED

Per: 
Authorized Signatory

ALDERON IRON ORE CORP.

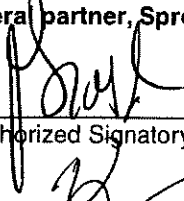
Per: 
Authorized Signatory

KAMI GENERAL PARTNER LIMITED

Per: 
Authorized Signatory

[signature page to the Credit Agreement]

**SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP,
by its general partner, Sprott Resource Lending Corp.**

Per:  _____
Authorized Signatory

Per:  _____
Authorized Signatory

[signature page to the Credit Agreement]

**SCHEDULE A
PROJECT**

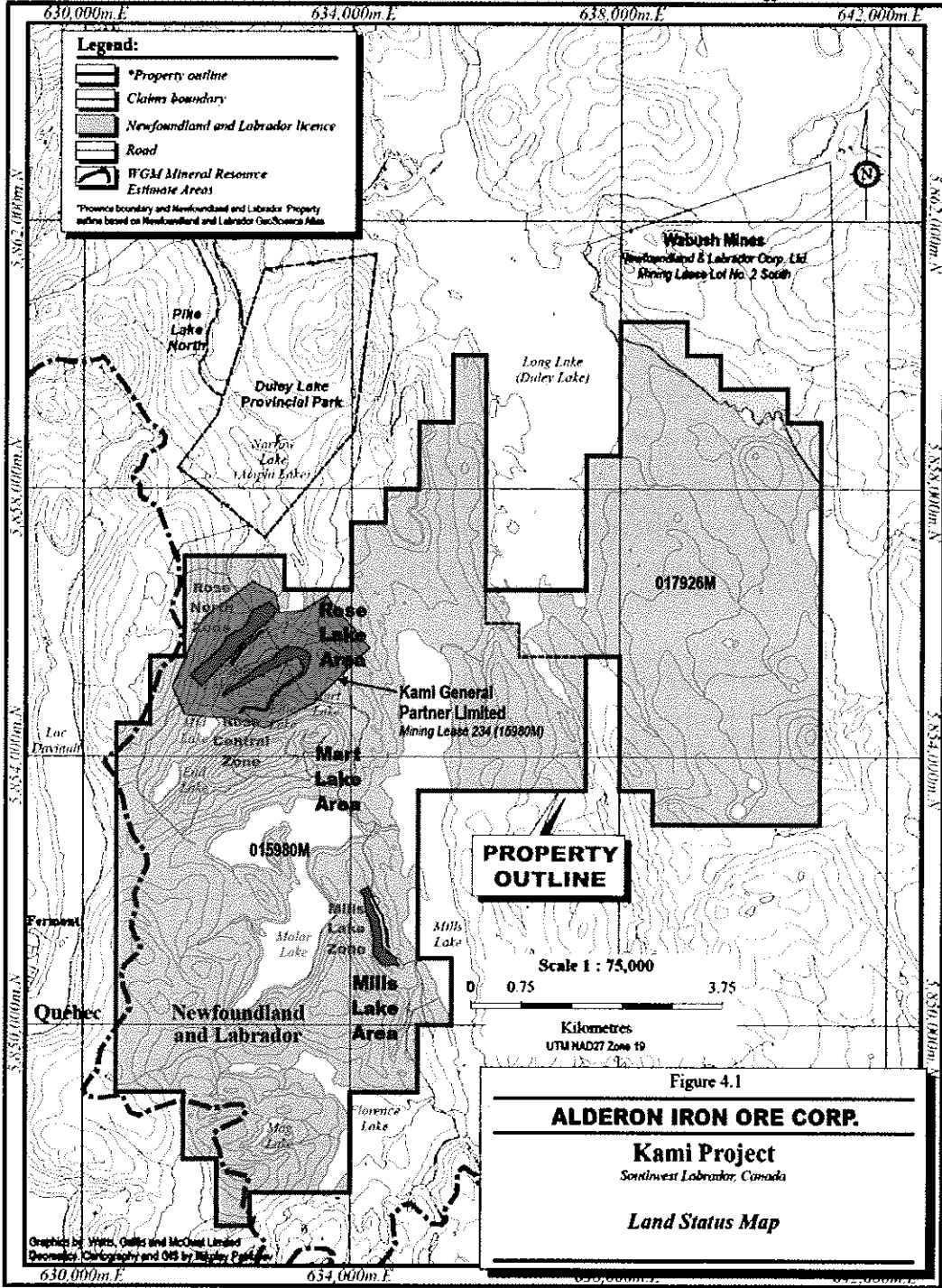
KAMISTIATUSSET PROPERTY IN LABRADOR

Licence	Claims	Area (ha)	NTS Areas	Issuance Date	Renewal Date
015980M	191	4,775	23B14 23B15	Dec 29, 2004	Dec 29, 2019
017926M	92	2,300	23B15	Aug 30, 2010	Aug 30, 2020
Total	283	7,075			

On February 17, 2014, Mining Lease #234(15980M) and Surface Lease #142 were issued by the Newfoundland and Labrador Department of Natural Resources. The Mining Lease for mineral development and the Surface Lease cover the entire footprint of the mine and related infrastructure. The Mining Lease gives the Kami Mine Limited Partnership the exclusive rights to develop the mineral resource underlying the Kami Project. The Surface Lease provides the Kami Mine Limited Partnership with the surface rights covering the area of the Mining Lease and areas for siting the required infrastructure incidental to the development of the mine. See also attached map.

ADN KAM / ADV 130, Licence Map 03
 Last revision date: Tuesday 16 November, 2010

Watts, Griffis and McQuat



**SCHEDULE B
SECURITY DOCUMENTS**

The Security Documents shall include the following:

- (a) a promissory note in the principal amount of the Facility made by the Borrower in favour of the Lender;
- (b) a general security agreement of Alderon, pursuant to which Alderon shall grant to and in favour of the Lender a first priority security interest over all of its present and after-acquired property, subject only to Permitted Encumbrances;
- (c) unlimited guarantees of each of the Guarantors;
- (d) a debenture granted by the Borrower and Kami GP, pursuant to which the Borrower and Kami GP shall grant to and in favour of the Lender a first priority security interest over all of their respective present and after-acquired property, subject only to Permitted Encumbrances;
- (e) an assignment of material contracts in respect of the Project;

**SCHEDULE C
SHARES AND OWNERSHIP INTEREST**

Record and Beneficial Owner	Issuer	Certificate No.	Number and Class of Shares	% of Shares Owned
Alderon Iron Ore Corp.	Kami General Partner Limited	Com-1	750,000 Common	75%
HBIS International Holding (Canada) Co., Ltd.	Kami General Partner Limited	COM-2	250,000 Common	25%
Alderon Iron Ore Corp.	0964896 B.C. Ltd.	2	1 Common	100%
Alderon Iron Ore Corp.	The Kami Mine Limited Partnership	N/A	750,000 GP Units	75%
HBIS International Holding (Canada) Co., Ltd.	The Kami Mine Limited Partnership	N/A	250,000 LP Units	25%

**SCHEDULE D
MATERIAL CONTRACTS**


Entity	Counterparty	Date	Term	Description
Alderon Iron Ore Corp.	Altius Resources Inc.	December 6, 2010	Perpetual term	Altius Royalty Agreement
Kami General Partner Limited and Alderon Iron Ore Corp.	HBIS International Holding (Canada) Co., Ltd. and Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Kami Mine Limited Partnership Agreement
The Kami Mine Limited Partnership	Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Earlier of (a) termination of commercial production at the Kami Mine and (b) date that is 15 th anniversary from the date of Commencement of Commercial Production (as defined in the Agreement), unless earlier terminated.	Hebei Iron Ore Offtake Agreement
Kami General Partner Limited and Alderon Iron Ore Corp.	HBIS International Holding (Canada) Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Kami General Partner Shareholders Agreement
0964898 B.C. Ltd.	The Kami Mine Limited Partnership	August 31, 2012	Initial term ended August 31, 2015. Extended to August 31, 2018 by Amendment Letter dated August 31, 2015	Kami Management Services Agreement and Amendment Letter
Alderon Iron Ore Corp.	0964898 B.C. Ltd.	March 15, 2013	August 31, 2018	Kami Services Agreement

Alderon Iron Ore Corp.	Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Hebei Investor Rights Agreement
Alderon Iron Ore Corp.	Sept-Îles Port Authority	July 13, 2012	20 year Term expires on July 13, 2032, with an option to renew for further 5 year terms for a maximum of 4 renewals	Port Agreement (as amended)
The Kami Mine Limited Partnership	Newfoundland and Labrador Hydro	February 19, 2014	May be terminated by Hydro if electrical service not taken by December 31, 2018	Nalcor Power Purchase Agreement
The Kami Mine Limited Partnership	Nunatukavut Community Council	June 24, 2013	Continues throughout all phases of the Kami Mine Project	Nunatukavut Community Participation Agreement
The Kami Mine Limited Partnership	Innu Nation	January 19, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Labrador Innu Impacts and Benefits Agreement (IBA)
The Kami Mine Limited Partnership	The Town of Labrador City	January 21, 2014	Initial term expires January 1, 2021. Thereafter automatically renews in successive 10 year terms, subject to terms of the Agreement	Labrador City Annual Grant Agreement (as amended)
The Kami Mine Limited Partnership	The Town of Labrador City	March 4, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Labrador City Stewardship Agreement

The Kami Mine Limited Partnership	The Province of Newfoundland and Labrador	May 27, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Province of Newfoundland Benefits Plan Agreement
The Kami Mine Limited Partnership	Liberty Metals & Mining Holdings, LLC	February 24, 2014	Upon payment in full of principal amount plus unpaid interest or the conversion of such obligations in accordance with terms of the Note and the Amended Note	Senior Secured Promissory Note
Alderon Iron Ore Corp. and The Kami Mine Limited Partnership and Kami General Partner Limited	Liberty Metals & Mining Holdings, LLC	December 8, 2014	As above	Secured Note Amending Agreement
The Kami Mine Limited Partnership	Town Council of The Town of Wabush	March 25, 2014	Term expires December 31, 2025	Grant in Lieu of Taxes Agreement
The Kami Mine Limited Partnership	Town Council of The Town of Wabush	March 25, 2014	Term expires December 31, 2025	Ancillary Agreement
The Kami Mine Limited Partnership	Glencore AG	July 29, 2014	Term shall continue until 48,000,000 DMT of Product are delivered	Glencore Offtake Agreement
The Kami Mine Limited Partnership	Metso Minerals Canada, Inc.	May 30, 2014	Term expires 60 consecutive months from commencement of payment of Fees under the Agreement	Life Cycle Services Agreement

The Kami Mine Limited Partnership	Metso Minerals Canada, Inc.	Dated August 8, 2013 and revised February 12, 2014 and further revised May 14, 2014	Not Applicable	Purchase Order KAMI-WPO-POD-MS002 – Metso AG Mill and Ball Mill, including Amendment Agreement (dated November 13, 2014)
The Kami Mine Limited Partnership	General Electric Canada	Dated December 11, 2013 and revised February 27, 2014	Not Applicable	Purchase Order KAMI-WPO-POD-ES0014 – GE Drive System, including Amendment Agreement (dated September 30, 2015)

This is Exhibit "4" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

CREDIT AGREEMENT

DATED AS OF JUNE 20, 2018

Between:

**THE KAMI MINE LIMITED PARTNERSHIP
as Borrower**

- and -

**ALDERON IRON ORE CORP., and KAMI GENERAL PARTNER LIMITED
as Guarantors**

- and -

**SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
as Lender**

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CREDIT AGREEMENT

THIS AGREEMENT made as of the 20th day of June, 2018

BETWEEN:

THE KAMI LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of Ontario

(hereinafter referred to as the "**Borrower**")

AND:

ALDERON IRON ORE CORP., a corporation organized and existing under the laws of British Columbia

(hereinafter referred to as "**Alderon**")

KAMI GENERAL PARTNER LIMITED, a corporation organized and existing under the laws of Ontario

(hereinafter referred to as "**Kami GP**", and together with Alderon, the "**Guarantors**")

AND:

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, a limited partnership organized and existing under the laws of the Province of Ontario

(hereinafter referred to as the "**Lender**")

WHEREAS the Borrower has requested, and the Lender has agreed, to establish a \$14,000,000 principal amount senior secured credit facility on and subject to the terms and conditions herein set forth.

NOW THEREFORE THIS CREDIT AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 INTERPRETATION

Definitions

- 1.1 In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

"**Advance**" means an advance of the Facility contemplated herein;

"**Affiliate**" has the meaning given thereto in the Securities Act;

"**Agreement**", "**this Agreement**", "**hereto**", "**hereby**", "**hereunder**", "**hereof**", "**herein**" and similar expressions refer to this credit agreement and not to any particular Article, section, subsection, paragraph, clause, subdivision or other portion hereof, and include any and every supplemental Agreement; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by

a number mean and refer to the specified Article, section, subsection or paragraph of this Agreement;

"Amount" or **"Amount Payable"** includes the principal amount advanced or deemed to be advanced and any other amount payable hereunder or under any of the Facility Documents;

"Applicable Law" means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

"Applicable Securities Legislation" means all applicable securities laws of each of the Reporting Jurisdictions and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions and such other jurisdictions as may be agreed to between the Credit Parties, as applicable, and the Lender;

"Authorization" means any authorization, consent, approval, resolution, licence, permit, concession, exemption, filing, notarization or registration;

"Bonus Interest" has the meaning attributed to such term in Section 2.8 hereof;

"Bonus Shares" has the meaning attributed to such term in Section 2.8 hereof;

"Borrower" means The Kami Mine Limited Partnership, a limited partnership organized and existing under the laws of Ontario, and its successors and permitted assigns;

"Credit Parties' Auditors" means, at any time, a firm of chartered accountants duly appointed as auditors of the Credit Parties or any of them;

"Business Day" means any day other than Saturday, Sunday or a statutory holiday when banks are not open in Toronto, Ontario or Vancouver, British Columbia;

"CND A" means the Consent and Non-Disturbance Agreement entered into on or around the date hereof between the Lender and Her Majesty The Queen In Right Of The Province Of Newfoundland And Labrador, as represented by the Minister of Natural Resources, in respect of (i) Government of Newfoundland and Labrador, Department of Natural Resources Surface Lease #142 issued February 17, 2014 and (ii) Government of Newfoundland and Labrador, Department of Natural Resources Mining Lease #234 (15980M) issued February 17, 2014;

"Certificate of the Borrower" means an instrument signed in the name of the Borrower and without personal liability by any Director or senior officer of Kami GP, as general partner of the Borrower, certifying the matters specified therein;

"Change of Control" means the occurrence of any of the following events:

- (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in Section 1.1 of Multilateral Instrument 62-104), other than Alderon or any Subsidiary of Alderon, has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares of Alderon, that together with the offeror's securities (as such term is defined in Section 1.1 of Multilateral Instrument 62-104) in relation to the Voting Shares of Alderon, would

constitute Voting Shares of Alderon representing more than 50% of the total voting power attached to all Voting Shares of Alderon then outstanding;

- (b) there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of Alderon (1) in which Alderon is not the continuing or surviving corporation or (2) pursuant to which any Voting Shares of Alderon would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of Alderon in which the holders of the Voting Shares of Alderon immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 25% of the Voting Shares of the continuing or surviving corporation immediately after such transaction; or
- (c) any Person or group of Persons acting together shall succeed in having a sufficient number of its nominees elected as Directors of Alderon such that such nominees, when added to any existing Directors after such election who was a nominee of or is an Affiliate or related Person of such Person or group of Persons acting together, will constitute a majority of the Directors;

"Closing Date" means the date of this Agreement;

"Commitment" means the Advance to be made by the Lender to the Borrower in the principal amount of \$14,000,000 in accordance with this Agreement;

"Common Shares" means common shares in the capital of Alderon or Kami GP, as applicable as such shares exist at the close of business on the date of execution and delivery of this Agreement;

"Constituting Documents" means (i) with respect to a corporation, its articles of incorporation, amalgamation or continuance, or constitution, or other similar documents by which it is established under its governing corporate legislation as a corporation, and its by-laws, if any, and (ii) with respect to any other Person which is an artificial body other than a corporation, the organization and governance documents of such Person; in each case as amended and supplemented from time to time;

"Contingent Liabilities" means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or other, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related;

"Corporations Act" means the *Business Corporations Act* (British Columbia);

"Credit Parties" means collectively, the Borrower and the Guarantors, and **"Credit Party"** means any one of them;

"Current Assets" means, at any time, all current assets on the consolidated balance sheet of Alderon, determined as of such time in accordance with IFRS;

"Current Liabilities" means, at any time, all current liabilities on the consolidated balance sheet of Alderon, determined as of such time in accordance with IFRS, excluding (i) the current portion of the principal amount of the Facility, (ii) the Deferred Indebtedness and (iii) Lease Obligations;

"Default" means an Event of Default or any event or circumstance specified in Section 8.1 hereof which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default;

"Deferred Indebtedness" means (i) the \$4,353,738.30 owing to Metso Minerals Canada Ltd. pursuant to the Amendment Agreement dated November 13, 2014; and (i) the CAD\$3,479,544.01 owing to WorleyParsons Canada Services Ltd. pursuant to the Amendment Agreement dated November 12, 2014;

"Director" means a director of the Borrower or Alderon, as applicable, for the time being and **"Directors"** means the board of directors of the Borrower or Alderon, as applicable or, whenever duly empowered, a committee of the board of directors of the Borrower or of Alderon, as applicable, and reference to action by the Directors means action by the directors as a board or action by such a committee of the board as a committee;

"Disclosure Record" means all information circulars, prospectuses (including preliminary prospectuses), annual information forms, offering memoranda, financial statements, material change reports and news releases filed by Alderon with the Exchange and all securities regulatory authorities in each Reporting Jurisdiction during the 24 months preceding the date hereof;

"Environmental Laws" means all federal, provincial, state, municipal, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters;

"Environmental Matters" means:

- (a) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
- (b) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;

"Event of Default" has the meaning attributed to such term in Section 8.1 hereof;

"Exchange" means the Toronto Stock Exchange, and each successor thereto;

"Facility" has the meaning attributed to such term in Section 2.1 hereof;

"Facility Documents" means this Agreement, the Security Documents, the Guarantees, the CNDA and all other certificates, instruments, notices and documents delivered or to be delivered by the Credit Parties hereunder or thereunder, each as amended, modified, supplemented, restated or replaced from time to time;

"Facility Indebtedness" means all present and future debts, liabilities and obligations of the Borrower and the Guarantors to the Lender under and in connection with this Agreement and all other Facility Documents, including all Amounts Payable and all fees and other money payable or owing from time to time pursuant to the terms of this Agreement or any of the Facility Documents;

"Financial Instrument Obligations" means, with respect to any Person, obligations arising under:

- (a) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is interest rates or the price, value or amount payable thereunder is dependent or based upon interest rates or fluctuations in interest rates in effect from time to time (but excluding non-speculative conventional floating rate indebtedness);
- (b) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates in effect from time to time; and
- (c) any agreement for the making or taking of any commodity (including gold, coal, natural gas, oil and electricity), swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity;

or any other similar transaction, including any option to enter into any of the foregoing, or any combination of the foregoing, in each case to the extent of the net amount due or accruing due by the Person under the obligations determined by marking the obligations to market in accordance with their terms;

"Governmental Authority" means each national, state, provincial, county, municipal or other such governmental or public authority, including their authorized administrative bodies, courts, tribunals, commissions and agents, which have legal jurisdiction over a Person or a matter relevant to this Agreement;

"Guarantees" means, collectively, the guarantees of the Guarantors;

"Guarantors" means, collectively, Alderon Iron Ore Corp. and Kami General Partner Limited and their respective successors and permitted assigns, and **"Guarantor"** means either one of them;

"Hazardous Materials" has the meaning attributed to such term in Section 6.1(gg) hereof;

"IFRS" means international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto ("**IASB**"), as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

"Indebtedness" means, with respect to a Person, without duplication:

- (a) all obligations of the Person for borrowed money, including debentures, notes or similar instruments and other financial instruments and obligations with respect to bankers' acceptances and contingent reimbursement obligations relating to letters of credit;
- (b) all Financial Instrument Obligations of the Person;

- (c) all Lease Obligations and Purchase Money Obligations of the Person;
- (d) all obligations to pay the deferred and unpaid purchase price of property or services, which purchase price is due and payable more than six months after the date of placing such property or service or taking delivery at the completion of such services;
- (e) all indebtedness of any other Person secured by a Security Interest on any asset of the Person;
- (f) all obligations to repurchase, redeem or repay any Common Shares or any other shares or equity interests of a Credit Party that fall due prior to the Maturity Date; and
- (g) all Contingent Liabilities of the Person with respect to obligations of another Person if such obligations are of the type referred to in paragraphs (a) to (f) above;

"Indemnified Parties" has the meaning attributed to such term in Section 10.1 hereof;

"Lease Obligation" has the meaning given to such term in IFRS;

"Lender" means Sprott Private Resource Lending (Collector), LP, an Ontario limited partnership, and every successor Person thereto and assignee;

"Lender's Counsel" means Lawson Lundell LLP and, at any time, any other legal counsel retained by the Lender in the relevant jurisdiction to the matter in question;

"LMM" means Liberty Metals & Mining Holdings, LLC, and every successor Person thereto and assignee;

"LMM Indebtedness" means the outstanding and unpaid portion of indebtedness evidenced by that certain senior secured promissory note, dated February 24, 2014, as amended December 8, 2014 and May 22, 2018 and as may be further amended or amended and restated, in the original principal amount of \$22,000,000, issued by Kami LP to LMM;

"Material Adverse Effect" means, when used with reference to any event or circumstance, any event or circumstance which has, had, or could reasonably be expected to have a material adverse effect on:

- (a) the business, operations, prospects, results of operations, assets, liabilities (contingent or otherwise), capitalization, condition (financial or otherwise) or cash flows of any of the Credit Parties, including but not limited to any event or circumstance relating to or resulting from conditions affecting the mining industry as a whole, general economic, financial, currency exchange, securities, credit or commodity market conditions;
- (b) the ability of the Credit Parties or any of them to perform their obligations when due under this Agreement or any of the other Facility Documents;
- (c) the validity or enforceability of this Agreement or any other Facility Document; or
- (d) the priority or ranking of any Security Interest granted pursuant to the Security Documents or any of the rights or remedies of the Lender thereunder or under any other Facility Document;

"Material Contract" means any Project Document which (i) is prudent or necessary for the continuing operation and development of the Project, and (ii) contains terms and conditions which, if amended or, upon breach, termination, non-renewal or non-performance, could

reasonably be expected to have a Material Adverse Effect, all as more particularly described on Schedule D hereto;

"Maturity Date" means, subject to Section 2.5 below, December 31, 2019;

"Obligations" means, without duplication, with respect to a Person, all items which, in accordance with IFRS, would be included as liabilities on the liability side of the balance sheet of the Person and all Contingent Liabilities of the Person;

"Permitted Disposal" means any sale, lease, license, transfer or other disposal:

- (a) made by a Credit Party to another Credit Party, provided that if the disposing Credit Party had granted a Security Interest in favour of the Lender over the asset or property subject to such disposal, equivalent security over such asset or property shall be granted in favour of the Lender by the acquiring Credit Party, in each case, on terms and conditions satisfactory to the Lender;
- (b) that is contemplated under Section 3.2 and in respect of which all or part of the proceeds will be paid to the Lender in accordance with the terms of that Section and this Agreement;
- (c) of obsolete or redundant vehicles, plant and equipment for cash;
- (d) made with the prior written consent of the Lender;
- (e) of fixed assets where the proceeds of disposal are used to purchase replacement assets comparable or superior as to type, value and quality; and
- (f) of assets (other than shares) for cash where the net consideration receivable (when aggregated with the net consideration receivable for any other sale, lease, license, transfer or disposal not allowed under paragraphs (a) to (d) above) does not exceed \$250,000;

"Permitted Encumbrances" means with respect to any Credit Party:

- (a) any Security Interest granted pursuant to the Security Documents;
- (b) any Security Interest or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secure related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any Security Interest imposed pursuant to statute such as builders', mechanics', materialman's, carriers', warehousemen's and landlords' liens and privileges, in each case, which relate to obligations not yet due or delinquent or, if due or delinquent, which the Credit Party is contesting in good faith if such contest will involve no material risk of loss of any material part of the property of any Credit Party;
- (d) any Security Interest for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year, or not at the time due and delinquent or, if due or delinquent, the validity of which is being contested at the time in good faith;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by any Credit Party, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;

- (f) any Security Interest created or assumed by any Credit Party in favour of a public utility or Governmental Authority (whether directly or indirectly) when required by the utility or Governmental Authority in connection with the operations of such Credit Party that could not reasonably be expected to have a Material Adverse Effect;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Credit Party, or title defects, encroachments or irregularities, that could not reasonably be expected to have a Material Adverse Effect;
- (i) any Security Interest that secures Permitted Indebtedness referred to under subsection (c) provided that such Security Interest shall be subject to the inter-creditor agreement referred to in such subsection (c);
- (j) any Security Interest that secures Permitted Indebtedness referred to under subsection (i) of that definition provided that such Security Interest is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness;
- (k) those certain Security Interests in respect of which Registration Number 20160209 1037 1529 0835 was made at the Ontario Personal Property Registry against the each Credit Party, as Business Debtor, and in favour of Metso Minerals Canada Inc., as Secured Party, in so far as such registration relates to (i) METSO 22' x 41' (6.7m x 12.5m) Re grind Ball Mill with 2 x 6,705HP (5,000 kW) Motors and (ii) METSO 36' x 23' (11m x 7m) AG Mill with G.E. 15,000 kW (20,107 HP) Motor; and
- (l) any Royalty Obligations.

"Permitted Indebtedness" means:

- (a) Indebtedness under this Agreement and any other Facility Documents;
- (b) Indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Credit Party by appropriate proceedings diligently conducted, and provided always that the failure to pay such Indebtedness would not reasonably be expected to result in a Material Adverse Effect;
- (c) any Indebtedness approved by the Lender and, if applicable, permitted pursuant to the terms of an inter-creditor agreement, in form and substance satisfactory to the Lender providing for the full subordination and postponement of such indebtedness and any security therefor to the Facility Indebtedness and the Security Interests granted under the Security Documents, executed and delivered in favour of the Lender;
- (d) any inter-company Indebtedness between any Credit Parties;
- (e) any guarantee or indemnity in respect of Permitted Indebtedness;
- (f) any other Indebtedness which the Lender agrees in writing is Permitted Indebtedness for the purposes of this Agreement;

- (g) any performance or similar bond guaranteeing performance by a Credit Party or another subsidiary of a Credit Party, which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (h) any Indebtedness arising under a foreign exchange transaction for spot or forward deliver entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure (and not a foreign exchange transaction for investment or speculative purposes), which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (i) any Indebtedness under finance or in respect of Lease Obligations and Purchase Money Obligations, provided that the total payments in respect of Lease Obligations during a twelve month period do not exceed \$250,000 in the aggregate for the Credit Parties at any time;
- (j) the Deferred Indebtedness;
- (k) any Indebtedness under any corporate or employee credit card programs of a Credit Party, which Indebtedness does not exceed \$250,000 in the aggregate for the Credit Parties at any time and which is not secured; and
- (l) any Indebtedness not permitted by the preceding paragraphs (a) to (m) and the outstanding amount of which does not exceed \$250,000 in aggregate for the Credit Parties at any time.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or Governmental Authority or entity, however designated or constituted;

"PPSA" means the *Personal Property Securities Act* (British Columbia);

"Project" means the iron ore development project located on the Kamistiatasset property in Newfoundland and Labrador, as more particularly described on Schedule A hereto;

"Project Document" means any agreement, contract, license, permit, instrument, lease, easement or other document which (i) deals with or is related to the construction, operation or development of the Project, and (ii) is executed from time to time by or on behalf of or is otherwise made or issued in favour of any Credit Party;

"Purchase Money Obligation" means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any mobile asset;

"Relevant Jurisdiction" means, from time to time, any jurisdiction in which any Credit Party has material property or assets, or in which it carries on material business and, for the purposes of this Agreement, includes (i) British Columbia, Canada, (ii) Ontario, Canada, (iii) Newfoundland and Labrador, Canada and (iv) Québec, Canada;

"Reporting Jurisdictions" means all of the jurisdictions in Canada in which Alderon is a "reporting issuer", including as of the date hereof, the Provinces of British Columbia, Alberta and Ontario;

"Royalty Obligations" means (i) the 3% gross sales royalty on iron ore concentrate arising in connection with the Project pursuant to the royalty agreement dated December 6, 2010 between Altius Resources Inc. and Alderon, as assigned to the Borrower by a Conveyance and Assumption Agreement dated March 15, 2013 between Alderon and the Borrower, and (ii) the

participation payment of 0.735% of positive pre-tax cash flow from mining operations pursuant to the Impacts and Benefits Agreement effective January 21, 2014 between the Borrower and Innu Nation;

"Secured Assets" means the undertaking, properties and assets now owned, leased or hereafter acquired or leased by the Credit Parties or any of them secured by the Security Documents;

"Securities" means the Bonus Shares;

"Securities Act" means the *Securities Act* (British Columbia);

"Security Documents" means, collectively, the agreements, instruments and documents listed in Schedule B hereto and delivered pursuant to Article 4 of this Agreement;

"Security Interest" means any security interest, assignment by way of security, mortgage, charge (whether fixed or floating), hypothec, deposit arrangement, pledge, trust, lien, encumbrance, preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever, and includes any other "Security Interest" as defined in section 1 of the PPSA;

"Subsidiary" has the meaning attributed to such term in the Corporations Act;

"Taxes" means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not;

"Term Sheet" means the term sheet for credit facility dated May 7, 2018 issued by the Lender to the Credit Parties;

"Voting Shares" means shares of capital stock of any class of any corporation carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event; and

"Working Capital" means Current Assets less Current Liabilities.

Interpretation Not Affected by Headings

- 1.2 The division of this Agreement into articles, sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Statute References

- 1.3 Any reference in this Agreement to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

Permitted Encumbrance

- 1.4 Any reference in any of the Facility Documents to a Permitted Encumbrance is not intended to and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any obligation of any Credit Party to the Lender under any of the Facility Documents to any Permitted Encumbrance.

Currency

- 1.5 Any reference in this Agreement to "**Dollars**", "**dollars**" or "**\$**" shall be deemed to be a reference to lawful money of the United States of America and any reference to any payments to be made by any Credit Party shall be deemed to be a reference to payments made in lawful money of the United States of America. Any reference in this Agreement to "**CAD\$**" shall be deemed to be a reference to lawful money of Canada.

Use of the Words "**Best Knowledge**", "**continuing**" and "**indebtedness**"

- 1.6 The words "**best knowledge**", "**to the best of the Borrower's knowledge**", "**to the knowledge of**", "**of which they are aware**", "**any knowledge of**" or other similar expressions limiting the scope of any representation, warranty, acknowledgement, covenant or statement by the Borrower or the Credit Parties will be understood to be made on the basis of the actual knowledge of any of the executive officers or similar senior management personnel of the Borrower or other Credit Party, in each case, after due inquiry.
- 1.7 A Default being "**continuing**" means that such Default has not been cured or waived by the Lender.
- 1.8 Any reference to "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

Non-Business Days

- 1.9 Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on or as of, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, unless otherwise specifically provided for herein, on or as of the next succeeding Business Day and the Lender shall not be entitled to any further interest or other payment in respect of such delay.

Governing Law

- 1.10 This Agreement shall be governed by, construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract. Each of the Credit Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in the City of Vancouver. Each Credit Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any Court of the Province of British Columbia. Each of the Credit Parties hereby irrevocably waives, to the fullest extent permitted by law, any forum non conveniens defence to the maintenance of such action or proceeding in any such court. Each Credit Party irrevocably consents to service of process in British Columbia. Nothing in this Agreement will affect the right of the Lender to serve process in any other manner or in any other jurisdiction permitted by law or to commence suits, actions or legal proceedings in any other jurisdictions.

Paramourncy

- 1.11 In the event of any inconsistency between the provisions of this Agreement and the provisions of any other Facility Document, the provisions of this Agreement shall prevail.

Enurement

- 1.12 The Facility Documents shall be binding upon and shall enure to the benefit of each Credit Party which is party thereto and the Lender and their respective successors and permitted assigns.

Interpretation

- 1.13 In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. In this Agreement the words "including" or "includes" mean "including without limitation" and "includes without limitation", respectively.

Time of Essence

- 1.1 Time shall be of the essence in all respects in this Agreement.

Joint and Several Liability

- 1.2 The Credit Parties agree that all obligations of the Credit Parties in this Agreement and/or any other Facility Document shall be joint and several obligations of all the Credit Parties.

Schedules

- 1.3 The Schedules attached hereto are incorporated into this Agreement by reference and are deemed to be an integral part thereof.

ARTICLE 2 THE FACILITY

The Facility

- 2.1 Subject to the terms and conditions hereof, the Lender hereby establishes in favour of the Borrower a senior secured non-revolving single advance reducing term credit facility (the "Facility") in an amount equal to the Commitment amount, which shall be made available to the Borrower, or as the Borrower may direct, by way of a single drawdown in accordance with this Agreement.

Non-Revolverment

- 2.2 The Facility is a non-revolving facility, and any repayment under the Facility shall not be re-borrowed.

Notice of Borrowing

- 2.3 The Borrower shall provide a notice of borrowing to the Lender in respect of the Advance no later than 12:00 p.m. (Toronto time) not less than 3 Business Days prior to the requested drawdown date. The notice of borrowing shall be in form and on terms satisfactory to the Lender and shall be irrevocable. Prior to the issuance of a notice of borrowing, the Borrower shall have satisfied or fulfilled all conditions precedent set out in Section 5.2 and provided to the Lender all documentation contemplated therein, and the Lender shall have confirmed to the Borrower in writing the satisfaction or fulfillment of the conditions precedent set out in Section 5.2 and the Lender's satisfaction with all such documentation delivered.

Term

- 2.4 Except as otherwise provided herein, the outstanding principal amount of the Facility, together with all accrued but unpaid interest, bonus and other costs, fees or charges payable hereunder from time to time, will be immediately due and payable by the Borrower to the Lender on the Maturity Date.
- 2.5 Notwithstanding the foregoing, and in the Lender's sole discretion, the Lender may offer to extend the term of the Facility for a period of up to an additional six months. Without limiting the generality of the foregoing, any such extension shall be conditional upon, *inter alia*:
- (a) the Credit Parties being in good standing under each Facility Document to which they are party; and
 - (b) payment to the Lender of additional bonus interest in an amount equivalent to \$350,000 payable, *mutatis mutandis*, as set out in Section 2.8 below, provided that such issuance of Common Shares in payment of the bonus interest shall be calculated based on a 10% discount to the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the original Maturity Date.

If the Borrower desires to have the term of the Facility extended, it shall send a written request to the Lender during a period that starts three months prior to the Maturity Date and ends one month prior to the Maturity Date. The Lender shall confirm within 10 Business Days of the receipt of Borrower's extension request whether such extension will be granted or not. Upon the agreement of the parties to such an extension, the new maturity date shall be deemed to be the Maturity Date for the purposes of this Agreement.

Use of Proceeds

- 2.6 Except with the prior written consent of the Lender, the Borrower shall use the proceeds of the Facility only as follows:
- (a) for the irrevocable repayment in full of the LMM Indebtedness and/or reimbursement to the Credit Parties of any amounts pre-paid to LMM after May 3, 2018;
 - (b) in payment of interest payable pursuant to Section 2.7 below; and
 - (c) in payment of the Lender's fees and expenses payable pursuant to Section 7.4 below.

Interest

- 2.7 Interest shall accrue on the principal amount of the Facility from the date of Advance, as well as on all overdue amounts outstanding in respect of interest, costs or other fees or expenses payable hereunder, at the fixed rate of ten percent (10%) per annum, calculated daily and compounded monthly (effective annual rate of 10.57%), and shall be payable by the Borrower until otherwise advised by the Lender:
- (a) in respect of 12/14th (6/7th) of the amount payable, to the Lender, monthly on the last Business Day of every month by way of wire transfer, as well as after each of maturity, default and judgment;
 - (b) in respect of 2/14th (1/7th) of the amount payable, to Altius Resources Inc., monthly on the last Business Day of every month by way of wire transfer, as well as after each of maturity, default and judgment.

Bonus Interest

- 2.8 In consideration for the Advance of the Facility to the Borrower (which Alderon acknowledges it will also derive benefit from) and concurrently therewith, Alderon, will pay bonus interest to the Lender in the amount of \$1,050,000 (the "**Bonus Interest**") net of all applicable withholding taxes, being 7.5% of the Facility, payable in Common Shares issued at a deemed price equal to a 10% discount to the lesser of (i) the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the date of the Term Sheet, and (ii) the volume weighted average trading price of the Common Shares as they trade on the Exchange for the five trading days immediately prior to the date of the Advance (the "**Bonus Shares**"). The Bonus Shares shall be registered in the name of the Lender, or as the Lender may direct in writing, and shall be subject to a hold period under Applicable Securities Legislation of four months and one day from their date of issue. The Canadian dollar equivalent of the Bonus Interest will be determined by multiplying the amount of \$1,050,000 by the daily average exchange rate for the conversion of U.S. to Canadian dollars set by the Bank of Canada as at the Business Day immediately prior to the date of issuance of the Bonus Shares.

Computations

- 2.9 The rates of interest under this Agreement are nominal rates, and not effective rates or yields. Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest (or standby interest) "per annum" or a similar expression is used, such interest (or standby interest) shall be calculated on the basis of a year of 360 days for the actual number of days occurring in the period for which any such interest (or standby interest) is payable. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360.

No Set-off

- 2.10 All payments required to be made by the Borrower or any other Credit Party pursuant to the provisions hereof or any other Facility Document shall be made in immediately available funds and without any set-off, deduction, withholding or counter-claim or cross-claim.

Maximum Return

- 2.11 The Lender and each Credit Party acknowledge and agree that the payment of Amounts Payable hereunder and any further consideration to the Lender is a fair payment based on the business terms of this transaction. The Lender and the Borrower acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Lender, whether for any Amount Payable or otherwise, exceed the maximum payment permitted under Applicable Law.

Time and Place of Payments

- 2.12 All payments made by the Borrower pursuant to this Agreement or pursuant to any other Facility Document shall be made before 2:00 p.m. (Toronto, Ontario time) on the day specified for payment. Any payment received after 2:00 p.m. (Toronto, Ontario time) on the day specified for such payment shall be deemed to have been received before 2:00 p.m. (Toronto, Ontario time) on the immediately following Business Day. All payments shall be made to the Lender to the account and office of the Lender, as specified by the Lender (and, in the case of the office, in Section 9.2 hereto), or such other account or office as the Lender may designate in writing. If

the date for payment of any Amount Payable is not a Business Day at the place of payment, then payment shall be made on the next Business Day at such place.

Record of Payments

- 2.13 The Lender shall maintain accounts and records evidencing all payments hereunder, which accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence thereof.

ARTICLE 3 PREPAYMENT

Voluntary Prepayment

- 3.1 The Borrower may prepay the outstanding balance of the Facility, in whole or in part, at any time before the Maturity Date, provided that the equivalent of not less than \$1,400,000 of interest on the Facility (including all payments of interest made prior to the date of any such prepayment) shall have been paid to the Lender.

Mandatory Prepayments of the Facility

- 3.2 If at any time after the Closing Date, any Credit Party (a) sells or otherwise disposes of any assets in one or more transactions outside of the ordinary course of business, to the extent that the proceeds of such transactions are in the form of cash and have a value in excess of \$250,000 in the aggregate (for all such transactions after the date hereof) or (b) receives any insurance proceeds, such Credit Party will pay or cause to be paid to the Lender (i) the proceeds of such sale, net of reasonable out-of-pocket selling costs required to be paid by such Credit Party to any third party in connection with such sale or (ii) such insurance proceeds (as the case may be), to be applied in repayment of the outstanding balance of the Facility. In the event that such proceeds are received prior to the last day of the Availability Period, the amount of the Commitment shall be reduced by an amount equal to the amount of such proceeds subject to the discretion of the Lender.
- 3.3 If at any time after the Closing Date, any Credit Party sells or otherwise disposes of any assets in one or more transactions outside of the ordinary course of business, to the extent that the proceeds of such transactions are not in the form of cash (or to the extent there are non-cash proceeds) and the value of such proceeds (as determined by the Lender, acting reasonably and on the basis of the consideration given in respect of such transaction) exceeds \$250,000 in the aggregate (for all such transactions after the date hereof), such Credit Party will grant to the Lender a first ranking security interest over such proceeds and provide the Lender with all such security documents, opinions and other documents as the Lender or the Lender's Counsel may reasonably require. In the event that such proceeds are received prior to the last day of the Availability Period, the amount of the Commitment shall be reduced by an amount equal to the amount of such proceeds subject to the discretion of the Lender.
- 3.4 If at any time after the Closing Date any Credit Party closes one or more equity or debt (including convertible debt) financings, excluding intercompany financings between Credit Parties having a value exceeding \$250,000 in the aggregate, such Credit Party will pay or cause to be paid to the Lender 50% of the proceeds of such financing(s), net of reasonable out-of-pocket financing costs required to be paid by such Credit Party in connection with such financing(s), to be applied on account of the outstanding balance of the Facility.
- 3.5 Upon the occurrence of a Change of Control, (i) the Commitment shall be immediately reduced to zero and (ii) the Facility will become immediately due and payable, in full and the Borrower shall pay to the Lender in respect thereof, an amount equal to the outstanding balance of the Facility, all accrued but unpaid interest hereon and all costs and charges payable hereunder.

ARTICLE 4 SECURITY

Security Documents

- 4.1 To secure the due payment of all Indebtedness of the Credit Parties to the Lender in respect of the Facility and the payment and performance of all other obligations, indebtedness and liabilities of the Credit Parties to the Lender hereunder and under the other Facility Documents, the Credit Parties shall execute and deliver the Security Documents to the Lender.

Registration of the Security

- 4.2 The Lender shall at the Borrower's expense, register, file, record and give notice of (or cause to be registered, filed, recorded and given notice of) the Security Documents in all offices and registries where such registration, filing, recording or giving notice is necessary or desirable for the perfection of the Security Interest constituted thereby and to ensure that such Security Interest is first ranking, subject only to the Permitted Encumbrances.

After Acquired Property and Further Assurances

- 4.3 The Credit Parties shall from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge as may be necessary or desirable in the opinion of the Lender, acting reasonably, or its counsel to ensure that any additional interests in assets acquired by them after the date hereof, are subject to the Security Interests created pursuant to the Security Documents.

ARTICLE 5 CONDITIONS PRECEDENT

Conditions Precedent to Effectiveness

- 5.1 This Agreement shall become effective as at the Closing Date, provided the following conditions precedent have been satisfied, fulfilled or otherwise met to the satisfaction of the Lender and the Lender's Counsel:
- (a) the representations and warranties contained in Article 6 will be true and correct in all material respects;
 - (b) no event or circumstance shall have occurred or exist that could reasonably be expected to have a Material Adverse Effect on any of the Credit Parties, including but not limited to there being no pending or threatened litigation, proceedings or investigations which could reasonably be expected to have a Material Adverse Effect; and
 - (c) the Lender will have completed and, in its sole and absolute discretion, be satisfied with its due diligence review of the Credit Parties and their respective properties and assets, including without limitation, its review of all feasibility studies, leases, licences, budgets, financial forecasts, proforma financial statements, all Material Contracts and the net realizable value of the Secured Assets.

Conditions Precedent to Advance

- 5.2 The obligation of the Lender to make the Advance under this Agreement is subject to and conditional upon the following conditions precedent being satisfied, fulfilled or otherwise met to the satisfaction of the Lender and the Lender's Counsel on or before the date of Advance:

- (a) receipt by the Lender of the following documents, each in full force and effect, and in form and substance satisfactory to the Lender and the Lender's Counsel:
- (i) executed copies of the Facility Documents, including, without limitation, this Agreement and the Security Documents described in Schedule B hereto;
 - (ii) certificates of status or other similar type of evidence of existence for each of the Credit Parties from all Relevant Jurisdictions;
 - (iii) certified copies of the Constatting Documents of each of the Credit Parties;
 - (iv) copies of all agreements and documents evidencing all Royalty Obligations of the Credit Parties;
 - (v) certified copies of directors' resolutions for each of the Credit Parties with respect to its authorization, execution and delivery of the Facility Documents to which it is a party being delivered in connection herewith and the performance of all obligations thereunder;
 - (vi) certificates of a director, managing partner, general partner or authorized officer, as applicable, of each of the Credit Parties, in each case certifying the names and the true signatures of the officers authorized to sign the Facility Documents to which it is a party;
 - (vii) all requisite regulatory approvals, including Exchange and other approvals to the transactions contemplated herein;
 - (viii) releases, discharges and postponements (in registrable form where appropriate) covering all Security Interests or other encumbrances affecting the Secured Assets secured by the Security Documents described in Schedule B hereto which are not Permitted Encumbrances. For certainty, (i) the Lender shall have received, in form and substance satisfactory to the Lender in its sole discretion, any and all releases and/or discharges (in registrable form where appropriate) covering all Security Interests in respect of the LMM Indebtedness, and (ii) the Lender will be satisfied, in its sole discretion, with the procedures in place to effect all discharges of security related to the LMM Indebtedness;
 - (ix) legal opinions of counsel to the Credit Parties in all of the Relevant Jurisdictions; and
 - (x) an irrevocable direction to pay with respect to the Advance;
- (b) evidence that all Security Interests pursuant to the Security Documents described in Schedule B hereto have been (i) duly perfected and registered in all Relevant Jurisdictions and any other relevant jurisdiction as required by the Lender and the Lender's Counsel or (ii) if the Lender permits, in its sole and absolute discretion, in respect of any Security Interests which are not so perfected and registered, submitted for perfection and registration in all Relevant Jurisdictions and any other relevant jurisdiction as required by the Lender and the Lender's Counsel;
- (c) there shall be no other Security Interests whatsoever attaching to the Secured Assets, other than Permitted Encumbrances;
- (d) all of the representations and warranties of the Credit Parties contained herein or in any other Facility Document are true and correct on and as of the date of Advance as though

made on and as of such date and the Lender has received a Certificate of the Borrower so certifying to the Lender;

- (e) all of the covenants and agreements of each of the Credit Parties contained herein or in any other Facility Document required to be fulfilled or satisfied on or before the date of Advance have been so fulfilled or satisfied;
- (f) no Default or Event of Default has occurred and is continuing, and the Lender has received a Certificate of the Borrower so certifying to the Lender;
- (g) the Lender has received payment of all fees and all reimbursable expenses so invoiced in connection with this Agreement in accordance with Section 7.4, which are payable by the Borrower or other Credit Party to the Lender on or prior to the date of Advance;
- (h) as at the date of Advance, no event or circumstance shall have occurred or exist that could reasonably be expected to have a Material Adverse Effect on any of the Credit Parties, including but not limited to there being no pending or threatened litigation, proceedings or investigations which could reasonably be expected to have a Material Adverse Effect; and
- (i) such other conditions precedent (including the delivery of such documents, certificates, opinions and agreements) as the Lender may reasonably require,

failing which the Lender shall have no further obligation to the Borrower hereunder and the Borrower shall promptly thereafter pay to the Lender all outstanding fees and expenses, including all out-of-pocket costs reasonably incurred by the Lender in connection with this Agreement.

Waiver

- 5.3 The conditions in Article 5 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part, with or without conditions, as the Lender may determine in its sole and absolute discretion.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Credit Parties

- 6.1 The Credit Parties hereby represent and warrant to the Lender as of the date hereof that:
 - (a) each Credit Party has been duly incorporated or formed and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation to maintain its corporate existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) each Credit Party and any representative signing on its behalf has full power and capacity to enter into each of the Facility Documents to which it is a party and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof, and each Credit Party has taken all necessary corporate action to duly authorize the creation, execution, delivery and performance of each of the Facility Documents to which it is a party and to observe and

perform the provisions of such Facility Documents in accordance with the provisions thereof;

- (c) the Facility Documents will create valid and legally binding obligations of each Credit Party that is party to them enforceable against each such Credit Party in accordance with their respective terms;
- (d) the entry into and the performance of its obligations under each Facility Document to which it is a party is in its best interests and for a proper purpose;
- (e) none of the execution and delivery of the Facility Documents, the compliance by the Credit Parties with the provisions of the Facility Documents or the consummation of the transactions contemplated herein, does or will: (i) require the consent, approval, Authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, (B) Exchange approval which will be obtained by the Closing Date, which approval is subject to customary conditions to be satisfied following closing of the Advance; (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which any Credit Party is a party or by which it or any of the properties or assets thereof is bound which could reasonably be expected to have a Material Adverse Effect; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the articles or by-laws or partnership agreement, as applicable, of any Credit Party or any resolution passed by the directors (or any committee thereof) or shareholders or unit holders, as applicable, of any Credit Party, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, any arbitrator, stock exchange or securities regulatory authority applicable to any Credit Party or any of the properties or assets thereof;
- (f) Alderon is authorized to issue an unlimited number of Common Shares, of which 133,471,850 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares and Kami GP is authorized to issue an unlimited number of Common Shares, of which 1,000,000 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares;
- (g) the outstanding shares of Alderon are listed and posted for trading on the Exchange;
- (h) except as set forth in Schedule C, none of the Credit Parties own, beneficially or of record, or exercise control or direction over, any shares (or other ownership interests) of any Person;
- (i) except as disclosed in the Disclosure Record, no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement, for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of Alderon or any other Credit Party;
- (j) no Credit Party carries on business, has an office or own any properties or assets located, outside of Canada;
- (k) each Credit Party is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on, in all material respects, the business thereof in compliance with all Applicable Laws of each such jurisdiction;

- (l) each Credit Party has conducted and is conducting its business in compliance in all material respects with Applicable Law and possesses all Authorizations necessary to carry on, in all material respects, the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such Authorizations, and none of the Credit Parties have received any notice of the modification, revocation or cancellation of, any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Authorization;
- (m) Alderon is a reporting issuer or the equivalent in the Reporting Jurisdictions and is in compliance with its obligations under the Applicable Securities Legislation of such jurisdictions and of the Exchange in all respects and is not included in any list of defaulting reporting issuers maintained by the securities commission of such jurisdictions;
- (n) no order, ruling of suspending the sale or ceasing the trading in any securities of Alderon nor prohibiting the sale of such securities has been issued by any securities regulatory authority to and is outstanding against Alderon or its directors, officers or promoters and no investigations or proceedings for such purposes have been, to the knowledge of the Credit Parties, threatened or are pending or contemplated;
- (o) there is not any material change, as defined in the Applicable Securities Legislation, relating to Alderon, which has not been fully disclosed in accordance with the requirements of the Applicable Securities Legislation and the policies of the Exchange;
- (p) no Credit Party has incurred any Indebtedness or guaranteed the obligations of any Person except in respect of any identified as Permitted Indebtedness and the LMM Indebtedness which is to be repaid in full from the proceeds of the Advance;
- (q) Alderon has the corporate power and authority to create, issue and deliver the Securities;
- (r) Alderon has complied with all Applicable Securities Legislation in connection with the issuance of the Securities, in each case including, but not limited to, receiving the approval of the Exchange, as required, in respect of the listing of the Securities on the Exchange;
- (s) the issuance of the Securities will be exempt from the prospectus requirements of Applicable Securities Legislation of Canada and no document will be required to be filed and no proceeding taken or approval, permit, consent, order or Authorization obtained under any such Applicable Securities Legislation in connection with the first trade of the Securities (assuming that: at the time of such trade, at least four months have elapsed from the "distribution date" (as such term is defined in NI 45-102)); such trade is not a "control distribution" as defined in NI 45-102; no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; no extraordinary commission or consideration is paid to a person or company in respect of the trade; and, if any Lender is an insider of Alderon, it has no reasonable grounds to believe that Alderon is in default of "securities legislation" (as defined in National Instrument 14-101 *Definitions*));
- (t) the contracts, agreements and other documents listed in Schedule D represent all Material Contracts of the Credit Parties, true and complete copies of which have been provided to the Lender;
- (u) any and all of the agreements and other documents and instruments pursuant to which any Credit Party holds the property and assets thereof (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof. No Credit Party is in default of any of the provisions of any such agreements, documents or

instruments in any material respect nor has any such default been alleged, and such properties and assets are in good standing under the Applicable Laws of the jurisdictions in which they are situated, and all leases, licenses and claims pursuant to which any Credit Party derives the interests thereof in such property and assets are in good standing and there has been no default under any such lease, licence or claim. None of the properties (or any interest in, or right to earn an interest in, any property) of any Credit Party is subject to any right of first refusal or purchase or acquisition right;

- (v) except as qualified by the disclosure therein and except as otherwise permitted herein (including with respect to Permitted Encumbrances), the Credit Parties are the legal and beneficial owners of the respective properties, business and assets referred to as being owned by them in the Disclosure Record;
- (w) each Credit Party holds either freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in properties in which it has an interest as described in the Disclosure Record under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit such Credit Party to explore and extract the minerals relating thereto, all such property, leases or claims and all property, leases or claims in which any Credit Party has an interest or right have been validly located and recorded in accordance with Applicable Law in all respects and are valid and subsisting, the Credit Parties have all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Credit Parties have an interest as described in the Disclosure Record granting the applicable Credit Parties the right and ability to explore and extract for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the applicable Credit Parties, with only such exceptions as do not interfere with the use made by the applicable Credit Parties of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the applicable Credit Party;
- (x) each Credit Party owns or has the right to use under license, sub-license or otherwise all intellectual property used by it in its business, including copyrights, industrial designs, trademarks, trade secrets, know-how and proprietary rights, free and clear of any and all Security Interests;
- (y) except for Permitted Encumbrances, there are no royalty obligations or similar obligations applicable to the properties of any Credit Party, including but not limited to the property interests comprising the Project;
- (z) no Credit Party has approved entering into any agreement in respect of (i) the sale of any property of such Credit Party, or assets or any interest therein or the sale, transfer or other disposition of any property of such Credit Party, or assets or any interest therein currently owned, directly or indirectly, by such Credit Party whether by asset sale, transfer of shares or otherwise or (ii) any Change of Control;
- (aa) no portion of the Disclosure Record contains an untrue statement of a material fact as of the date thereof nor does it omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (bb) the consolidated financial statements of Alderon contained in the Disclosure Record are in accordance with the Corporations Act, including giving a true and fair view of the consolidated entity's financial position as at the date thereof comply with IFRS, and no

adverse material changes in the financial position of any Credit Party has taken place since the date thereof;

- (cc) none of the Credit Parties has any liabilities, fixed or contingent, of the type required to be reflected as liabilities in financial statements prepared in accordance with IFRS, that are not reflected in the consolidated financial statements of Alderon contained in the Disclosure Record, in the notes thereto or otherwise disclosed in writing to the Lender, other than in respect of Permitted Indebtedness;
- (dd) Alderon's Auditors are independent chartered accountants and have participant status with the Canadian Public Accountability Board as required under Applicable Securities Legislation and there has never been a reportable disagreement (within the meaning of National Instrument 51-102) between Alderon and Alderon's Auditors;
- (ee) Alderon has in all material respects complied with all continuous disclosure obligations under Applicable Securities Legislation and the rules and regulations of the Exchange and, without limiting the generality of the foregoing, there has not occurred any Material Adverse Effect that is continuing and which has not been publicly disclosed on a non-confidential basis; the information and statements in the Disclosure Record were true and correct at the time such documents were filed on SEDAR or EDGAR, as applicable, and contained no misrepresentation as of the respective dates of such information and statements; the Disclosure Record conformed in all material respects to Applicable Securities Legislation at the time such documents were filed on SEDAR or EDGAR, as applicable; and Alderon has not filed any confidential material change reports which remain confidential as at the date hereof;
- (ff) all taxes, duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto due and payable by any Credit Party have been paid, except any non-payment that would not reasonably be expected to have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by any Credit Party have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings were, at the time of filing, complete and accurate in all material respects and no material fact or facts have been omitted therefrom which could make any of them misleading. There are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by any Credit Party and no examination of any tax return of any Credit Party is currently in progress (save in respect of any issue, dispute or examination which the relevant Credit Party (or Credit Parties) is disputing in good faith and pursuant to appropriate proceedings diligently conducted);
- (gg) (i) no Credit Party is in material violation of any Environmental Laws including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum by-products (collectively, "**Hazardous Materials**") or the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (ii) each Credit Party has all material Authorizations required under any applicable Environmental Laws and, each Credit Party is in compliance with such material Authorizations; (iii) there are no pending or, to any Credit Party's knowledge, threatened administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against any Credit Party; and (iv) there are no events or circumstances that could reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Authority, against or affecting any Credit Party relating to any Environmental Laws;

- (hh) each Credit Party operates its business in compliance in all material respects with all Applicable Laws relating to employment and there are no legal proceedings nor, to the knowledge of any Credit Party, any threatened legal proceedings, against any Credit Party pursuant to any Applicable Laws relating to employment. There are no outstanding decisions, orders or settlements or pending settlements under any Applicable Laws relating to employment which place any obligation upon any Credit Party to do or refrain from doing any act and which could reasonably be expected to have a Material Adverse Effect. Each Credit Party is up to date in the payment of all premiums or assessments under applicable workers compensation and profit sharing or other worker safety legislation applicable in the Relevant Jurisdictions, and no Credit Party is subject to any special assessment or penalty under any such legislation;
- (ii) none of the directors, officers or employees of any Credit Party or any Affiliate of a Credit Party had or has any material interest, direct or indirect, in any transaction or any proposed transaction with any Credit Party which, as the case may be, or will materially affect any Credit Party;
- (jj) the assets of each Credit Party and their respective businesses and operations are insured against loss or damage with insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, such coverage is in full force and effect, and no Credit Party has failed to promptly give any notice of any material claim thereunder. There are no claims by any Credit Party under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights or similar clause;
- (kk) no Credit Party is in violation of any term of its Constatng Documents. No Credit Party is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, and there is no action, suit, proceeding or investigation commenced, pending or threatened which, either in any case or in the aggregate, could reasonably be expected to result in any Material Adverse Effect or which places, or could place, in question the validity or enforceability of this Agreement, or any document or instrument delivered, or to be delivered, by any Credit Party pursuant hereto;
- (ll) no Credit Party is in default of any term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are subject that could reasonably be expected to have a Material Adverse Effect, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which any Credit Party is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could reasonably be expected to have a Material Adverse Effect;
- (mm) no Credit Party has committed any act of bankruptcy or is insolvent, and no Credit Party has proposed a compromise or arrangement to its respective creditors generally, has had a petition or receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied upon any of its property;
- (nn) there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to any Credit Party's knowledge, threatened against or adversely affecting any Credit Party or to which any of their property or assets is subject, at law or equity, or before or by any

Governmental Authority and no Credit Party is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority;

- (oo) no Credit Party and no director or officer, and to the best of the knowledge of the Credit Parties after all due inquiry, no agent, employee or other Person acting on behalf of any Credit Party has, in the course of its actions for, or on behalf of, any Credit Party (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Corruption of Foreign Public Officials Act (Canada), the US Foreign Corrupt Practices Act of 1977, or any other similar laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official, employee or other Person; and
- (pp) no Credit Party enjoys immunity from suit or execution in relation to its obligations under any Facility Document to which it is a party.

Acknowledgement

- 6.2 The Credit Parties acknowledge that the Lender is relying upon the representations and warranties in this Article 6 in discharging its obligations under this Agreement and that such representations and warranties are made effective as at the Closing Date and shall be deemed to be restated in every respect effective on the date the Advance is made.

Survival and Inclusion

- 6.3 The representations and warranties in this Article 6 will survive the termination of this Agreement. All statements, representations and warranties contained in any other Facility Document or in any instruments delivered by or on behalf of the Credit Parties or the Lender pursuant to this Agreement or any other Facility Document will be deemed to constitute statements, representations and warranties made by the Credit Parties to the Lender under this Agreement.

Representations and Warranties of the Lender

- 6.4 The Lender hereby represents and warrants to Borrower as of the date hereof and as of the date of the Advance that:
- (a) the Lender has been duly formed and organized under the laws of its jurisdiction of formation and is validly existing and is, in all material respects, current and up-to-date with all filings required to be made under the laws of its jurisdiction of formation to maintain its existence and has all requisite power to enter into this Agreement and perform its obligations hereunder, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) the Lender and any representative signing on its behalf has full power and capacity to enter into this Agreement and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof;
 - (c) upon the execution and delivery thereof, this Agreement will create legal, valid and binding obligations of the Lender, enforceable against the Lender in accordance with its terms;
 - (d) the Lender is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions* (by virtue of paragraph (m) of the definition); and

- (e) the Lender has not been created, or is used, solely to purchase or hold securities in reliance on an exemption from the prospectus requirements of Applicable Securities Legislation.

ARTICLE 7 COVENANTS OF THE CREDIT PARTIES

General Covenants

- 7.1 While any Facility Indebtedness is outstanding or the Facility remains available to the Borrower, the Credit Parties covenant with the Lender that, except with the prior written consent of the Lender:
- (a) the Borrower will duly and punctually pay or cause to be paid to the Lender each Amount Payable, on the dates, at the places, in the currency and in the manner mentioned herein, including, without limitation, upon acceleration of the Facility Indebtedness under Section 8.2, the outstanding balance of the Facility;
 - (b) except as otherwise permitted pursuant to this Agreement, they will at all times maintain their corporate or partnership existence, obtain and maintain all Authorizations required or necessary in connection with their business and/or any of the Secured Assets and to carry on and conduct their business in accordance with prudent industry standards;
 - (c) they will keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of its dealings and transactions in relation to their business in accordance with IFRS, and at all reasonable times they will furnish or cause to be furnished to the Lender or its duly authorized agent or attorney such information relating to their operations as the Lender may request and such books of account shall be open for inspection by the Lender or such agent or attorney, upon reasonable prior notice and during regular business hours in the location of the requested information;
 - (d) they will provide the Lender and its representatives or such agent or attorney access to all properties, assets and books and records, upon reasonable prior notice and during regular business hours;
 - (e) they will ensure that each of the Security Documents will at all times constitute valid and perfected first ranking security on all of the Secured Assets, subject only to Permitted Encumbrances, and at all times take all actions necessary or reasonably requested to create, perfect and maintain the Security Interests granted pursuant to the Security Documents as perfected first ranking security over the Secured Assets, subject only to Permitted Encumbrances;
 - (f) they will duly and punctually perform and carry out all of the covenants and acts or things to be done by them as provided in this Agreement and each of the Security Documents;
 - (g) they will comply in all material respects with all Applicable Law and Alderon will comply in all material respects with Applicable Securities Legislation;
 - (h) they will: (i) maintain policies of insurance with carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Credit Parties operate, and add and maintain the Lender as first loss payee and a named insured under all such policies to the extent of its interest; and (ii) on an annual basis and/or at any other time, promptly at the request of the Lender, deliver to the Lender all certificates and reports prepared in connection with such insurance;

- (i) they will immediately notify the Lender in writing upon becoming aware of: (i) any Default, or (ii) any suit, proceeding or governmental investigation pending or, to any Credit Party's knowledge, threatened or any notification of any challenge to the validity of any Authorization, relating to the Credit Parties, which could reasonably be expected to have a Material Adverse Effect, or relating to any of the Secured Assets;
- (j) they will maintain or cause to be maintained the Secured Assets in good condition in accordance with prudent industry standards (subject to normal wear and tear);
- (k) provide the Lender, on or before the 20th day after the end of each calendar month, with consolidated monthly financial and operational reports, consisting of the consolidated Credit Parties' balance sheet, income statement, statement of accounts payables and accrued liabilities, standard monthly costs and operating reports provided to management or the board of directors, in the form agreed with the Lender from time to time, and such other information with respect to the Credit Parties as the Lender may reasonably request;
- (l) the Credit Parties will, on a consolidated basis and as determined by reference to the previously filed (or, if applicable pursuant to Section 7.5, delivered) reports and the consolidated monthly reports referred to in Section 7.1(k), maintain, at all times, Working Capital in excess of \$1,400,000. Working Capital shall be converted from Canadian dollars to United States by multiplying the Canadian dollar amount of Working Capital by the daily average exchange rate for the conversion of Canadian to U.S. dollars set by the Bank of Canada as at the Business Day immediately on the date of calculation;
- (m) they will pay and discharge or cause to be paid and discharged, promptly when due, all taxes, assessments and governmental charges or levies imposed upon them or in respect of any of the Secured Assets or upon the income or profits therefrom except for Permitted Encumbrances as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become a Security Interest thereupon; provided however, that they shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted;
- (n) they will cause all necessary and proper steps to be taken diligently to protect and defend the Secured Assets and the proceeds thereof against any material adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand; and
- (o) if and to the extent that any Credit Party holds or is granted any Security Interests, it will take all steps necessary to ensure that all such Security Interests which it holds are attached, enforceable and continuously perfected under the PPSA (or such similar legislation pursuant to which such Security Interest is granted) until the obligations they secure are satisfied or they are released for value.

Negative Covenants of the Credit Parties

- 7.2 The Credit Parties hereby covenant and agree with the Lender that, except with prior written consent of the Lender, they will not:
- (a) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any Indebtedness other than Permitted Indebtedness;

- (b) directly or indirectly create, incur, assume, permit or suffer to exist any Security Interest against any of their properties or assets, including, without limitation, any of the Secured Assets or the Material Contracts, other than Permitted Encumbrances;
- (c) convey, sell, lease, assign, transfer or otherwise dispose of (i) any of their properties or assets other than pursuant to a Permitted Disposal or (ii) directly or indirectly, any interest in a Credit Party;
- (d) materially amend, modify, vary or terminate any Material Contract, license, permit or other Authorization now held by any of the Credit Parties in a manner which could reasonably be expected to have a Material Adverse Effect;
- (e) enter into any scheme for the reconstruction or reorganization of it or any of its Subsidiaries or for the consolidation, amalgamation, merger, arrangement or similar transaction of it or any of its Subsidiaries with or into any other Person;
- (f) make any prepayment on, purchase, redeem, or otherwise acquire or retire for value, prior to any scheduled final maturity, any Indebtedness other than (i) the Facility Indebtedness or (ii) the LMM Indebtedness from the proceeds of the Advance, or (iii) pursuant to the terms of any written subordination or similar agreement with the Lender in respect of any Indebtedness subordinated on terms satisfactory to the Lender;
- (g) purchase, redeem, retire, repurchase and cancel or otherwise acquire for cash any securities;
- (h) make any change to their Constatting Documents in a manner that adversely affects the interests of the Lender or any Security Interest granted to the Lender under the Security Documents;
- (i) change the name of any Credit Party without the prior written approval of the Lender, which approval shall not to be unreasonably withheld;
- (j) transfer or permit the transfer of any shares, units or other equity interests of any Credit Party held by Alderon or otherwise allow any Credit Party to cease to be directly or indirectly held by Alderon as set out in Schedule C;
- (k) declare or provide for any dividends or other payments or distributions based on share capital other than a dividend or distribution paid by one Credit Party to another Credit Party;
- (l) pay out any shareholders loans or other indebtedness to non-arm's length parties or enter into any transactions with any non-arm's-length parties other than on commercially reasonable terms;
- (m) make any payments to shareholders or affiliates not otherwise permitted hereunder;
- (n) incur any Contingent Liability for the obligations of any other Person, directly or indirectly, other than obligations permitted by this Agreement, including any Permitted Indebtedness;
- (o) enter into or become party or subject to any dissolution, winding-up, reorganization, arrangement or similar transaction or proceeding; or
- (p) engage in the conduct of any business other than the business of such Credit Party as existing on the date of this Agreement or in businesses reasonably related thereto on a

basis consistent with the conduct of such business as conducted on the date of this Agreement.

Continued Listing

- 7.3 Alderon shall take all reasonable steps and actions as may be required to maintain the listing and posting for trading of the Common Shares on the Exchange and to maintain its status as a "reporting issuer", or the equivalent thereof not in default of the requirements of the Applicable Securities Legislation in the Reporting Jurisdictions.

To Pay Lender's Fees and Expenses

- 7.4 The Borrower will pay for the Lender's reasonable legal fees (on a solicitor and own client basis) and all other costs, charges and expenses (including all due diligence expenses) of and incidental to the preparation, execution and completion of this Agreement and the other Facility Documents (including reasonable notaries' and translator's fees where such notarial and translation services are customarily required), and all amendments thereto, and as may be required by the Lender or the Lender's Counsel to complete or facilitate the transactions contemplated herein including but not limited to technical consulting and other due diligence costs. The Borrower further covenants and agrees to pay all of the Lender's reasonable legal fees (on a solicitor and own-client basis) and all other costs, charges and expenses of and incidental to the recovery of all amounts owing hereunder, including but not limited to those incurred in connection with the enforcement of this Agreement and the other Facility Documents and the realization of the Security. All amounts will be payable upon demand. If not paid within 30 days of demand, all such amounts will be added to and form part of the principal amount of the Facility and shall accrue interest from the date of demand as if such amounts had been advanced by the Lender to the Borrower hereunder on such date. On or subsequent to the date of execution of the Term Sheet, the Borrower deposited with the Lender a retainer of \$100,000, which amount shall be credited against the Borrower's obligation to pay the Lender's legal fees pursuant to the first sentence of this Section 7.4.

Comply with Continuous Disclosure Obligations

- 7.5 Alderon shall timely file all documents that must be publicly filed or sent to its shareholders pursuant to Applicable Securities Legislation within the time prescribed by such Applicable Securities Legislation and make such documents available on the System for Electronic Document Analysis and Retrieval within such prescribed time period. If Alderon is not at any time subject to Applicable Securities Legislation, Alderon shall continue to provide to the Lender: (i) within 120 days after the end of each fiscal year, copies of its annual report and audited annual financial statements, and (ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports by a "reporting issuer" (as such term is defined in such Applicable Securities Legislation) under the Applicable Securities Legislation. Each of such reports will be prepared in accordance with the disclosure requirements of Applicable Securities Legislation in all material respects.

To Pay Additional Amounts

- 7.6 The Borrower will, from time to time, promptly pay or make provisions satisfactory to the Lender for the payment of any additional amounts, including Taxes and charges which may be imposed on the Borrower by the laws of Canada or any Province thereof (except income tax or security transfer Tax, if any) which shall be payable with respect to the Facility.
- 7.7 Any and all payments by or on account of any obligation of the Credit Parties hereunder or under any other Facility Document, as applicable, shall be made free and clear of and without

deduction or withholding for any Taxes except as required by Applicable Law. If the Lender is required by applicable law to deduct or withhold any Taxes from such payments, then:

- (a) the amount payable by the applicable Credit Party shall be increased so that after all such required deductions or withholdings are made (including deductions or withholdings applicable to additional amounts payable under this Section), the Lender receives an amount equal to the amount it would have received had no such deduction or withholding been made, and
- (b) the Lender shall make such deductions or withholdings and pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law.

Further Assurances

- 7.8 Each of the Credit Parties shall, from time to time, as may be reasonably required by the Lender, execute and deliver such further and other documents and do all matters and things which are necessary to carry out the intention and provisions of this Agreement.

Lender May Perform Covenants

- 7.9 If any of the Credit Parties shall fail to perform any of its respective covenants contained in this Agreement or any of the other Facility Documents, the Lender may, upon becoming aware of such failure, in its discretion, but need not, itself perform any of such covenants capable of being performed by it, but is under no obligation to do so. All reasonable sums so required to be paid in connection with the Lender's performance of any covenant will be paid by the Credit Parties and all sums so paid shall be payable by the Credit Parties in accordance with the provisions of Section 7.4 hereof. No such performance by the Lender of any such covenant or payment or expenditure by any Credit Party of any sums advanced or borrowed by the Lender pursuant to the foregoing provisions shall be deemed to relieve any of the Credit Parties from any default hereunder or their respective continuing obligations hereunder.

ARTICLE 8 DEFAULT AND ENFORCEMENT

Events of Default

- 8.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:
 - (a) if the Borrower fails to make any payment of any principal amount of the Facility or interest payable hereunder, when due;
 - (b) if the Borrower fails to pay any fees, costs or other amounts or charges payable to the Lender hereunder when due and such failure shall continue unremedied for a period of three (3) Business Days after written notice from the Lender;
 - (c) if any Credit Party defaults in observing or performing any covenant or condition set out in Section 7.1(l) or Section 7.2 of this Agreement;
 - (d) if any Credit Party defaults in observing or performing any covenant or condition of this Agreement or any other Facility Document (other than any covenant or condition referred to in Section 8.1(c)) on its part to be observed or performed and, with respect to such covenants or conditions which are capable of being cured, if such default continues for a period of ten (10) Business Days, after the earlier of knowledge thereof by the relevant Credit Party or notice thereof from the Lender;

- (e) any Facility Document ceases to be in full force and effect or any Security Document ceases to constitute a valid and perfected first priority Security Interest (subject only to Permitted Encumbrances) upon all the Secured Assets it purports to charge or encumber, in favour of the Lender;
- (f) the institution by any Credit Party of proceedings to be adjudicated a bankrupt or insolvent or any similar proceedings or the seeking by it of liquidation, reorganization or relief under any applicable federal, provincial, state or other law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the filing by it of any such petition or to the appointment under any such law of a receiver, receiver-manager, liquidator, assignee, trustee or other similar official of any Credit Party of all or substantially all of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;
- (g) any proceedings are commenced by a Person other than a Credit Party for the bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution or any similar proceedings of any Credit Party and such proceedings are not dismissed or stayed within 60 days after commencement thereof;
- (h) the entry of a decree or order by a court having jurisdiction adjudging any Credit Party a bankrupt or insolvent or approving as properly filed an application or a petition seeking liquidation, reorganization, arrangement or adjustment of or in respect of the Credit Party under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or appointing under any such law a receiver, receiver-manager, liquidator, assignee, trustee or other similar official of any Credit Party or of all or substantially all of its property, or ordering pursuant to any such law the winding-up or liquidation of its affairs and such decree or order continues unstayed and in effect greater than 30 days after such filing;
- (i) this Agreement or any Security Document is claimed by any Credit Party to, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of the Credit Party;
- (j) this Agreement or any Security Document shall for any reason other than paragraph (i) above, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of the Credit Party;
- (k) any Credit Party fails to pay the principal of, premium, if any, interest on, or any other amount owing in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$250,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace or cure period, if any, specified in the agreement or instrument relating to such Indebtedness or obligation; or any other event occurs or condition exists and continues after the expiry of the applicable grace or cure period, if any, specified in any agreement or instrument relating to any such Indebtedness or obligation, if its effect is to accelerate or permit the acceleration of, such Indebtedness or obligation; or any such Indebtedness or obligation shall be, or may be, declared to be due and payable prior to its stated maturity, in each case in respect of any of its Indebtedness or obligation which is outstanding in an aggregate principal amount exceeding \$250,000, provided that if the validity of the claim to any such Indebtedness is being contested through legal proceedings by the relevant Credit Party in good faith and the action in respect of such claim is dismissed, stayed or withdrawn within thirty (30) days after the commencement of legal proceedings in respect thereof, such Indebtedness will not be considered Indebtedness for the purposes of this Section;

- (l) any representation or warranty given by any Credit Party in this Agreement or any other Facility Document shall prove to be incorrect or misleading in a material way;
- (m) the occurrence or existence of any event or circumstance which has or could reasonably be expected to have a Material Adverse Effect, in the opinion of the Lender, acting reasonably;
- (n) any destruction, suspension or abandonment of the Project or any material part thereof which destruction, suspension or abandonment causes any material reduction in the valuation thereof which is not compensated by insurance in such a way as it could not reasonably be expected to have a Material Adverse Effect;
- (o) if any of the Credit Parties or their Subsidiaries cease or threaten to cease to carry on business;
- (p) final non-appealable judgments or decrees for the payment of money in excess of \$250,000 in the aggregate, are rendered against any Credit Party or any of them by courts having jurisdiction, and such judgments or decrees have not been paid in full by any Credit Party within 30 days after such judgments or decrees have become final non-appealable judgments or decrees.

Acceleration on Default

- 8.2 If any Event of Default shall occur and be continuing, the Lender may (i) by notice to the Borrower, (A) declare its commitment to advance the Facility or any portion thereof to be terminated, whereupon the same shall forthwith terminate and (B) declare the entire unpaid principal amount of the Facility, all interest accrued and unpaid thereon and all other fees, charges and costs hereunder to be forthwith due and payable, whereupon the principal amount of the Facility, all such accrued interest and all other fees, charges and costs hereunder shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower or any other Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other similar such legislation in other jurisdictions including the result which would otherwise occur only upon giving of notice by the Lender to the Borrower under this Section 8.2, shall occur automatically without the giving of any such notice; and (ii) whether or not the actions referred to in clause (i) have been taken, (X) exercise any or all of the Lender's rights and remedies under the Security Documents, and (Y) proceed to enforce all other rights and remedies available to the Lender under this Agreement, the Security Documents and Applicable Law.

Waiver of Default

- 8.3 If an Event of Default shall have occurred, the Lender shall have the power to waive any Event of Default hereunder if, in the Lender's opinion, the same shall have been cured or adequate provision made therefor, upon such terms and conditions as the Lender may consider advisable, provided that no delay or omission of the Lender to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

Enforcement by the Lender

- 8.4 If an Event of Default shall have occurred and be continuing, but subject to Section 8.3 hereof:

- (a) the Lender may in its sole discretion proceed to enforce, and to instruct any other Person to enforce, the rights of the Lender by any action, suit, remedy or proceeding authorized or permitted by this Agreement or any of the Security Documents or by law or equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Lender in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to any Credit Party; and
- (b) no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

Application of Moneys

- 8.5 Except as otherwise provided herein, any moneys arising from any enforcement hereof or any of the Security Documents or other proceedings against any Credit Party pursuant hereto or any of the Security Documents or from any trustee in bankruptcy or liquidation of any of the Credit Parties, shall be held by the Lender and applied by it, together with any moneys then or thereafter in the hands of the Lender available for the purpose, as follows:
- (a) first, in payment or reimbursement to the Lender of the remuneration, expenses, disbursements, and advances of the Lender earned, incurred or made in the administration or enforcement of this Agreement and the Security Documents or otherwise in relation to this Agreement and any of the Security Documents with interest thereon as herein provided;
 - (b) second (but subject to Section 7.4 hereof and this Section 8.5), in or towards payment of all Amounts Payable; and
 - (c) third, the surplus (if any) of such moneys shall be paid to the Borrower or as it may direct.

Persons Dealing with Lender

- 8.6 No Person dealing with the Lender or any of its agents shall be required to enquire whether an Event of Default has occurred, or whether the powers which the Lender is purporting to exercise have become exercisable, or whether any moneys remain due under this Agreement, or to see to the application of any moneys paid to the Lender, and in the absence of fraud on the part of such Person, such dealing shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

Lender Appointed Attorney

- 8.7 Effective upon acceleration as set out in Section 8.2, the Credit Parties irrevocably appoint the Lender to be the attorney of the Credit Parties in the name and on behalf of the Credit Parties to execute any instruments and do any things which the Credit Parties ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Agreement and generally to use the name of the Credit Parties in the exercise of all or any of the powers hereby conferred on the Lender with full powers of substitution and revocation. Such power of attorney, being coupled with an interest, is irrevocable.

Remedies Cumulative

- 8.8 No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any Facility Document or now or hereafter existing by law or by statute.

ARTICLE 9 NOTICES

Notice to the Credit Parties

- 9.1 Any notice to the Credit Parties under the provisions of this Agreement or any other Facility Document shall be valid and effective if delivered personally, by courier to or, if given by registered mail, postage prepaid, addressed to, the relevant Credit Party at Suite 1240 - 1140 West Pender Street, Vancouver, B.C., Canada V6E 4G1, Fax (604) 681-8039, Attention: Chief Executive Officer, and shall be deemed to have been given on the date of personal delivery, when sent by facsimile transmission if so delivered or sent prior to 5:00 pm (Toronto time) on a Business Day and otherwise on the next Business Day, or on the fifth Business Day after such letter has been mailed, as the case may be. Any Credit Party may from time to time notify the Lender of a change in address which thereafter, until changed by further notice, shall be the address of the Credit Party for all purposes of this Agreement.

Notice to the Lender

- 9.2 Any notice to the Lender under the provisions of this Agreement shall be valid and effective if delivered personally, by courier or by facsimile transmission to or, if given by registered mail, postage prepaid, addressed to the Lender at its principal office at Suite 2600, 200 Bay Street, Toronto, ON M5J 2J1, Tel: (416) 977-7222, Fax: (416) 977-9555, Attention: Chief Financial Officer, and shall be deemed to have been given on the date of delivery personally or by facsimile transmission if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the fifth Business Day after such letter has been mailed, as the case may be. The Lender may from time to time notify the Borrower of a change in address which thereafter, until changed by further notice, shall be the address of the Lender for all purposes of this Agreement.

Waiver of Notice

- 9.3 Any notice provided for in this Agreement may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

ARTICLE 10 INDEMNITIES

General Indemnity

- 10.1 Each of the Credit Parties expressly declares and agrees as follows:
- (a) the Lender, its partners and its and their directors, officers, employees, and agents, and all of their respective representatives, heirs, successors and assigns (collectively the "Indemnified Parties") will at all times be indemnified and saved harmless by the Credit Party from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Agreement and the other Facility Documents, including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Lender contemplated hereby, reasonable legal fees and disbursements on a solicitor and own client basis and all reasonable costs and expenses incurred in connection with the enforcement of this indemnity, which the Lender may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Lender and including any act, deed, matter or thing in relation to the registration, perfection, release or discharge of security. The foregoing provisions of

this subsection do not apply in any circumstances where any Indemnified Party was grossly negligent or acted with wilful misconduct in relation to their obligations hereunder or otherwise in connection with or under this Agreement and the Facility Documents. This indemnity shall survive the termination of this Agreement; and

- (b) the Lender may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cable, facsimile or other paper or electronic document reasonably believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

Environmental Indemnity

10.2 Each of the Credit Parties hereby indemnifies and holds harmless the Indemnified Parties against any loss, expenses, claim, proceedings, judgment, liability or asserted liability (including strict liability and including costs and expenses of abatement and remediation of spills or releases of contaminants and including liabilities of the Indemnified Parties to third parties (including governmental agencies) in respect of bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities of the Indemnified Parties to third parties for the third parties' foreseeable and unforeseeable consequential damages) incurred as a result of or in connection with the administration or enforcement of this Agreement or any other Facility Document, including the exercise by the Lender of any rights hereunder or under the Security Documents, which result from or relate, directly or indirectly, to:

- (a) the presence or release of any contaminants, by any means or for any reason, on the Secured Assets, whether or not release or presence of the contaminants was under the control, care or management of the Credit Party or of a previous owner, or of a tenant; or
- (b) the breach or alleged breach of any Environmental Laws by the Credit Party.

The foregoing provisions of this Section do not apply in any circumstances where any Indemnified Party was grossly negligent or acted with wilful misconduct in relation to their obligations hereunder or otherwise in connection with or under this Agreement and the Facility Documents. For purposes of this Section, "liability" shall include (a) liability of an Indemnified Party for costs and expenses of abatement and remediation of spills and releases of contaminants, (b) liability of an Indemnified Party to a third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Party is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, (c) liability of the Indemnified Party for damage suffered by the third party, (d) liability of an Indemnified Party for damage to or impairment of the environment and (e) liability of an Indemnified Party for court costs, expenses of alternative dispute resolution proceedings, and fees and disbursements of expert consultants and legal counsel on a solicitor and client basis.

Action by Lender to Protect Interests

10.3 The Lender shall have the power to institute and maintain all and any such actions, suits or proceedings and to take any other action as it may consider necessary or expedient to preserve, protect or enforce its interests.

ARTICLE 11 MISCELLANEOUS

Amendments and Waivers

- 11.1 No amendment to any provision of the Facility Documents shall be effective unless it is in writing and has been signed by the Lender and the Credit Parties who are party to that Facility Document, and no waiver of any provision of any Facility Document, or consent to any departure by the relevant Credit Party therefrom, shall be effective unless it is in writing and has been signed by the Lender. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

No Waiver; Remedies Cumulative

- 11.2 No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under the Facility Documents are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Lender.

Survival

- 11.3 All covenants, agreements, representations and warranties made in any Facility Documents shall, except to the extent otherwise provided therein, survive the execution and delivery of this Agreement and each Advance, and shall continue in full force and effect so long as any Advance remains outstanding or any other Obligations remain unpaid or any obligation to perform any other act hereunder or under any other Facility Document remains unsatisfied.

Benefits of Agreement

- 11.4 The Facility Documents are entered into for the sole protection and benefit of the parties hereto and their successors and permitted assigns, and no other Person (other than the Indemnified Parties) shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with, any Facility Document.

Binding Effect; Assignment; Syndication

- 11.5 This Agreement shall become effective when it shall have been executed by the parties hereto and thereafter shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. The Credit Parties shall not have the right to assign their rights and obligations hereunder or under the other Facility Documents or any interest herein or therein without the prior written consent of the Lender, which may be withheld in the Lender's sole discretion. The Lender reserves the right to sell, assign, transfer or grant participations in all or any portion of the Lender's interests, rights and obligations hereunder and under the other Facility Documents to any other Person, upon notice to, but without the consent of, the Credit Parties. In the event of any sale, assignment or transfer by the Lender of all of its interests, rights and obligations hereunder and under the other Facility Documents, upon notice thereof to the Credit Parties, the assignee shall be deemed the "Lender" for all purposes of the Facility Documents with respect to the rights and obligations assigned to it, the obligations of the Lender so assigned shall thereupon terminate and the assigning Lender shall be released from all obligations to the Credit Parties in respect thereof. The Credit Parties shall, from time to time upon request of the Lender at the Lender's expense, enter into such amendments to the Facility Documents and execute and deliver such other documents as shall be necessary to effect any such grant or assignment and maintain the perfected security interest created by the Security Documents. The Credit Parties acknowledge and agree that the Lender is authorized to

disclose to any lender, assignee or participant hereunder and any prospective lender, assignee or participant hereunder any and all financial and other information concerning the Credit Parties, their respective properties and assets and the Facility and any other transactions contemplated herein, whether received by the Lender or derivative thereof, in connection with the Lender's credit evaluation, internal reporting, or other activities reasonably incidental to the management or administration of the Facility, including in connection with the enforcement thereof, so long as the recipient thereof agrees not to disclose any confidential, non-public information to any person other than its employees, accountants, legal counsel or other representatives, unless required by law.

Judgment Currency

- 11.6 If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Lender could purchase Dollars with such other currency at the buying spot rate of exchange in the foreign exchange markets on the Business Day immediately preceding that on which any such judgment, or any relevant part thereof, is given.
- 11.7 The obligations of the Credit Parties in respect of any sum due to the Lender hereunder and under the other Facility Documents shall, notwithstanding any judgment in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in such other currency the Lender may, in accordance with normal banking procedures, purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to the Lender in Dollars, each of the Credit Parties agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss. If the amount of Dollars so purchased exceeds the sum originally due to the Lender in Dollars, the Lender shall remit such excess to the relevant Credit Parties.

Entire Agreement

- 11.8 The Facility Documents reflect the entire agreement between the parties hereto with respect to the matters set forth herein and therein and supersede any prior agreements, commitments, drafts, communication, discussions and understandings, oral or written, with respect thereto, including but not limited to the Term Sheet.

Payments Set Aside

- 11.9 To the extent that any payment by or on behalf of the Borrower is made to the Lender, or the Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) and the *Winding-up and Restructuring Act* (Canada) or other Canadian federal, provincial or foreign liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws, or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

Severability

- 11.10 Whenever possible, each provision of the Facility Documents shall be interpreted in such manner as to be effective and valid under all Applicable Laws. If, however, any provision of any

of the Facility Documents shall be prohibited by or invalid under any such Applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Applicable Law, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of such Facility Document, or the validity or effectiveness of such provision in any other jurisdiction.

Confidentiality

- 11.11 The Credit Parties and the Lender each agree that it shall maintain as confidential and, without the prior written consent of the relevant party(ies), shall not disclose any non-public information concerning the other party or its business and operations, provided that a party may disclose such information:
- (a) where such information becomes publicly available or widely known by the public other than by a breach of this Agreement, or is known by the receiving party prior to the entry of this Agreement or obtained independently of this Agreement, and the disclosure of such information would not breach any other confidentiality obligations;
 - (b) if required by Applicable Law or requested by any Governmental Authority (including any regulatory or securities authority) having jurisdiction over such party;
 - (c) to its directors, officers, employees, advisors and representatives who need to have knowledge of such information; and
 - (d) if required in the Lender's sole opinion, in connection with any collection of the Facility or any realization or enforcement of the Security Documents or other similar or related proceeding.

The Lender further agrees to use any non-public information concerning the other party solely for the purposes of the transactions contemplated hereunder, including all aspects of the administration of the Facility.

Public Disclosure

- 11.12 If any Credit Party is required by Applicable Law to file a copy of this Agreement on SEDAR (or otherwise publicly file a copy of this Agreement), the Credit Party shall consult with the Lender with respect to, and agree upon, any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR (or otherwise). If the parties are unable to agree on such redactions, the Credit Party shall redact this Agreement to the fullest extent permitted by Applicable Laws before filing it on SEDAR (or otherwise).

Counterparts and facsimile

- 11.13 This Agreement may be executed in counterparts and by electronic transmission of an authorized signature and each such counterpart shall be deemed to form part of one and the same document.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their proper officers duly authorized in that behalf.

THE KAMI MINE LIMITED PARTNERSHIP by its general partner
KAMI GENERAL PARTNER LIMITED

Per: 
Authorized Signatory

ALDERON IRON ORE CORP.

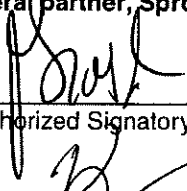
Per: 
Authorized Signatory

KAMI GENERAL PARTNER LIMITED

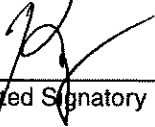
Per: 
Authorized Signatory

[signature page to the Credit Agreement]

**SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP,
by its general partner, Sprott Resource Lending Corp.**

Per: 

Authorized Signatory

Per: 

Authorized Signatory

[signature page to the Credit Agreement]

**SCHEDULE A
PROJECT**

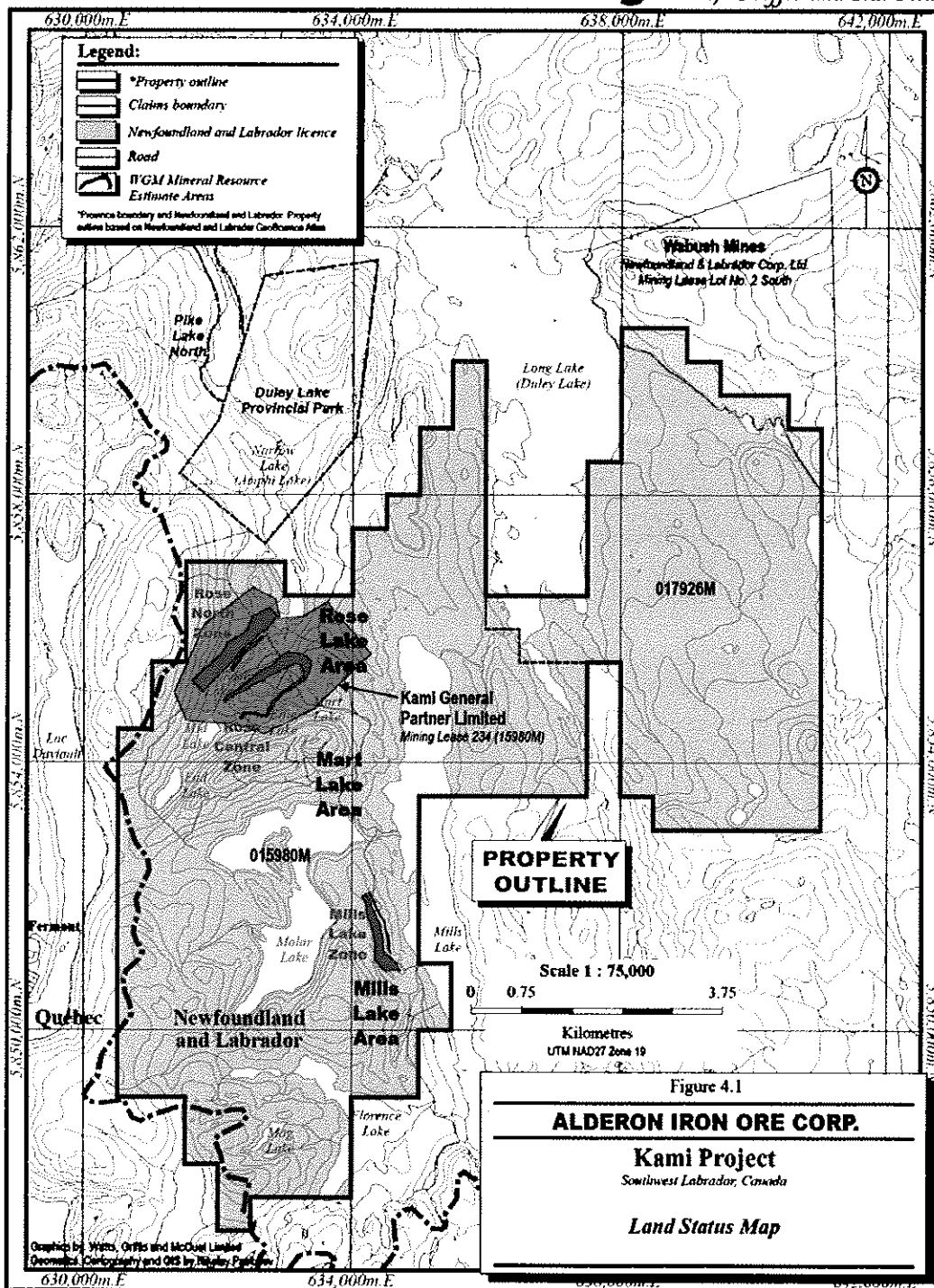
KAMISTIATUSSET PROPERTY IN LABRADOR

Licence	Claims	Area (ha)	NTS Areas	Issuance Date	Renewal Date
015980M	191	4,775	23B14 23B15	Dec 29, 2004	Dec 29, 2019
017926M	92	2,300	23B15	Aug 30, 2010	Aug 30, 2020
Total	283	7,075			

On February 17, 2014, Mining Lease #234(15980M) and Surface Lease #142 were issued by the Newfoundland and Labrador Department of Natural Resources. The Mining Lease for mineral development and the Surface Lease cover the entire footprint of the mine and related infrastructure. The Mining Lease gives the Kami Mine Limited Partnership the exclusive rights to develop the mineral resource underlying the Kami Project. The Surface Lease provides the Kami Mine Limited Partnership with the surface rights covering the area of the Mining Lease and areas for siting the required infrastructure incidental to the development of the mine. See also attached map.

ADV KAM / ADV 12b_License Map of
 Last revised date: Tuesday 15 November, 2016

Watts, Griffis and McQuat



**SCHEDULE B
SECURITY DOCUMENTS**

The Security Documents shall include the following:

- (a) a promissory note in the principal amount of the Facility made by the Borrower in favour of the Lender;
- (b) a general security agreement of Alderon, pursuant to which Alderon shall grant to and in favour of the Lender a first priority security interest over all of its present and after-acquired property, subject only to Permitted Encumbrances;
- (c) unlimited guarantees of each of the Guarantors;
- (d) a debenture granted by the Borrower and Kami GP, pursuant to which the Borrower and Kami GP shall grant to and in favour of the Lender a first priority security interest over all of their respective present and after-acquired property, subject only to Permitted Encumbrances;
- (e) an assignment of material contracts in respect of the Project;

**SCHEDULE C
SHARES AND OWNERSHIP INTEREST**

Record and Beneficial Owner	Issuer	Certificate No.	Number and Class of Shares	% of Shares Owned
Alderon Iron Ore Corp.	Kami General Partner Limited	Com-1	750,000 Common	75%
HBIS International Holding (Canada) Co., Ltd.	Kami General Partner Limited	COM-2	250,000 Common	25%
Alderon Iron Ore Corp.	0964896 B.C. Ltd.	2	1 Common	100%
Alderon Iron Ore Corp.	The Kami Mine Limited Partnership	N/A	750,000 GP Units	75%
HBIS International Holding (Canada) Co., Ltd.	The Kami Mine Limited Partnership	N/A	250,000 LP Units	25%

**SCHEDULE D
MATERIAL CONTRACTS**

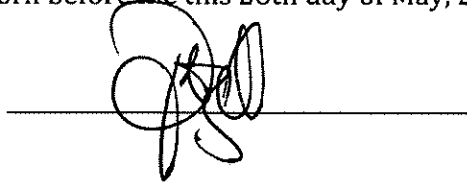
Entity	Counterparty	Date	Term	Description
Alderon Iron Ore Corp.	Altius Resources Inc.	December 6, 2010	Perpetual term	Altius Royalty Agreement
Kami General Partner Limited and Alderon Iron Ore Corp.	HBIS International Holding (Canada) Co., Ltd. and Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Kami Mine Limited Partnership Agreement
The Kami Mine Limited Partnership	Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Earlier of (a) termination of commercial production at the Kami Mine and (b) date that is 15 th anniversary from the date of Commencement of Commercial Production (as defined in the Agreement), unless earlier terminated.	Hebei Iron Ore Offtake Agreement
Kami General Partner Limited and Alderon Iron Ore Corp.	HBIS International Holding (Canada) Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Kami General Partner Shareholders Agreement
0964898 B.C. Ltd.	The Kami Mine Limited Partnership	August 31, 2012	Initial term ended August 31, 2015. Extended to August 31, 2018 by Amendment Letter dated August 31, 2015	Kami Management Services Agreement and Amendment Letter
Alderon Iron Ore Corp.	0964898 B.C. Ltd.	March 15, 2013	August 31, 2018	Kami Services Agreement

Alderon Iron Ore Corp.	Hebei Iron & Steel Group Co., Ltd.	August 31, 2012	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Hebei Investor Rights Agreement
Alderon Iron Ore Corp.	Sept-Îles Port Authority	July 13, 2012	20 year Term expires on July 13, 2032, with an option to renew for further 5 year terms for a maximum of 4 renewals	Port Agreement (as amended)
The Kami Mine Limited Partnership	Newfoundland and Labrador Hydro	February 19, 2014	May be terminated by Hydro if electrical service not taken by December 31, 2018	Nalcor Power Purchase Agreement
The Kami Mine Limited Partnership	Nunatukavut Community Council	June 24, 2013	Continues throughout all phases of the Kami Mine Project	Nunatukavut Community Participation Agreement
The Kami Mine Limited Partnership	Innu Nation	January 19, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Labrador Innu Impacts and Benefits Agreement (IBA)
The Kami Mine Limited Partnership	The Town of Labrador City	January 21, 2014	Initial term expires January 1, 2021. Thereafter automatically renews in successive 10 year terms, subject to terms of the Agreement	Labrador City Annual Grant Agreement (as amended)
The Kami Mine Limited Partnership	The Town of Labrador City	March 4, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Labrador City Stewardship Agreement

The Kami Mine Limited Partnership	The Province of Newfoundland and Labrador	May 27, 2014	Term continues subject to, and until terminated in accordance therewith, the terms of the Agreement	Province of Newfoundland Benefits Plan Agreement
The Kami Mine Limited Partnership	Liberty Metals & Mining Holdings, LLC	February 24, 2014	Upon payment in full of principal amount plus unpaid interest or the conversion of such obligations in accordance with terms of the Note and the Amended Note	Senior Secured Promissory Note
Alderon Iron Ore Corp. and The Kami Mine Limited Partnership and Kami General Partner Limited	Liberty Metals & Mining Holdings, LLC	December 8, 2014	As above	Secured Note Amending Agreement
The Kami Mine Limited Partnership	Town Council of The Town of Wabush	March 25, 2014	Term expires December 31, 2025	Grant in Lieu of Taxes Agreement
The Kami Mine Limited Partnership	Town Council of The Town of Wabush	March 25, 2014	Term expires December 31, 2025	Ancillary Agreement
The Kami Mine Limited Partnership	Glencore AG	July 29, 2014	Term shall continue until 48,000,000 DMT of Product are delivered	Glencore Offtake Agreement
The Kami Mine Limited Partnership	Metso Minerals Canada, Inc.	May 30, 2014	Term expires 60 consecutive months from commencement of payment of Fees under the Agreement	Life Cycle Services Agreement

The Kami Mine Limited Partnership	Metso Minerals Canada, Inc.	Dated August 8, 2013 and revised February 12, 2014 and further revised May 14, 2014	Not Applicable	Purchase Order KAMI-WPO-POD-MS002 – Metso AG Mill and Ball Mill, including Amendment Agreement (dated November 13, 2014)
The Kami Mine Limited Partnership	General Electric Canada	Dated December 11, 2013 and revised February 27, 2014	Not Applicable	Purchase Order KAMI-WPO-POD-ES0014 – GE Drive System, including Amendment Agreement (dated September 30, 2015)

This is Exhibit "5" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

PROMISSORY NOTE

This Promissory Note is made as of July 10, 2018.

WHEREAS, this Promissory Note has been granted in connection with the credit agreement made among The Kami Mine Limited Partnership (the "**Borrower**"), as borrower, Alderon Iron Ore Corp. and Kami General Partner Limited, as guarantors, and Sprott Private Resource Lending (Collector), LP, and its successors and permitted assigns (the "**Lender**"), as lender, dated as of the date hereof (the "**Credit Agreement**").

FOR VALUE RECEIVED, the Borrower unconditionally promises to pay to the Lender, at the place the Borrower is directed in writing by the Lender, in accordance with the terms hereof and the terms of the Credit Agreement (including, without limitation, as set out in Section 2.7 thereof), the principal sum of Fourteen Million United States Dollars (\$14,000,000 USD).

Interest shall accrue on the principal amount (including any overdue interest) outstanding hereunder from time to time, both before and after maturity, default and judgement at a rate as set out in the Credit Agreement.

Subject to the terms of the Credit Agreement, payments shall be applied by the Lender firstly to any accrued and unpaid interest up to and including the day immediately prior to the date of such payment, with the remainder of each such payment being applied to the principal sum then outstanding.


Notwithstanding anything else to the contrary contained herein, the full amount of principal and interest under this note shall be paid by the Borrower to the Lender as set out in the Credit Agreement.

The Borrower hereby waives demand, presentment for payment, notice of non-payment, notice of protest of this note and the right to assert any action or proceeding with regard to this note and any set-offs or counterclaims which the Borrower may have. No failure or delay by the Lender in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right exclude the further exercise thereof or the exercise of any other right.

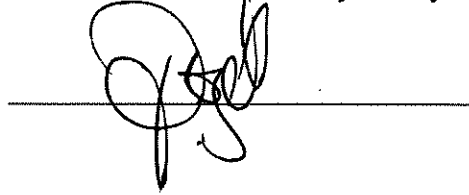
This note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

DATED as of the date first written above.

THE KAMI MINE LIMITED PARTNERSHIP
by its general partner
KAMI GENERAL PARTNER LIMITED

Per: 
Authorized Signatory
TAYFUN ELDEM
PRESIDENT

This is Exhibit "6" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

GUARANTEE

This Agreement is made as of July 10, 2018.

TO: Name: Sprott Private Resource Lending (Collector), LP
Address: Suite 2750, 200 Bay Street, Toronto, ON M5J 2J2
Attention: Chief Financial Officer
Telephone: (416) 977-7222
Facsimile: (416) 977-9555

RECITALS:

A. The Kami Mine Limited Partnership (the "**Borrower**"), as borrower, Alderon Iron Ore Corp. and Kami General Partner Limited, as guarantors of the borrower, and Sprott Private Resource Lending (Collector), LP, as lender (the "**Lender**") are party to a credit agreement dated as of June 20, 2018 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

B. It is in the interests of the Guarantors (as defined herein) that the Lender extend credit (or continue to extend credit) to the Borrower, and each Guarantor is therefore prepared to issue this Agreement to the Lender in order to induce them to do so.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by each Guarantor, each Guarantor, jointly and severally, agrees with and in favour of the Lender as follows:

1. **Definitions**. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and the following terms have the following meanings:

"**Agreement**" means this agreement, including the exhibits and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Borrower**" has the meaning set out in the recitals hereto.

"**Borrower Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Lender under, in connection with or with respect to the Facility Documents.

"**Event of Default**" means any "Event of Default" as defined in the Credit Agreement.

"**Guarantor Liabilities**" means, in respect of any Guarantor, all present and future indebtedness, liabilities and obligations of such Guarantor to the Lender under this Agreement.

“**Guarantors**” means Alderon Iron Ore Corp. and Kami General Partner Limited and any other Person which hereafter delivers a Supplement, and “**Guarantor**” means any one of them.

“**Insolvency Proceeding**” means any proceeding seeking to adjudicate a Person an insolvent, seeking a receiving order or other similar order against such Person under bankruptcy laws, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief or composition of such Person or its debts or a stay of proceedings of such Person’s creditors generally (or any class of creditors) or any other relief, under any federal, provincial, territorial or foreign law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the Bankruptcy Code (United States), the *Companies’ Creditors Arrangement Act* (Canada) and any similar legislation in any jurisdiction) or at common law or in equity.

“**Lender**” has the meaning set out in the recitals hereto.

“**Original Currency**” has the meaning set out in Section 18.

“**Other Currency**” has the meaning set out in Section 18.

“**Organizational Documents**” means, with respect to any Person, such Person’s articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

“**Security**” means any present or future Lien, or any present or future guarantee or other financial assistance, granted by any Person with respect to any or all of the Borrower Liabilities or Guarantor Liabilities.

“**Supplement**” has the meaning given to it in Section 33.

“**Surety**” means any present or future guarantor or surety of any or all of the Borrower Liabilities, other than the Guarantors.

2. **Guarantee.** Each Guarantor hereby unconditionally and irrevocably guarantees (as principal obligor) the prompt payment and performance to the Lender of all Borrower Liabilities when due in accordance with their terms. All amounts payable by any Guarantor under this Agreement shall be paid to the Lender at the address of the Lender shown above or as otherwise directed in writing by the Lender. All Guarantor Liabilities shall be payable or performable forthwith upon demand by the Lender, and any which are not so paid shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Borrower Liabilities.

3. **Guarantor Liabilities.** The Guarantor Liabilities of each Guarantor are continuing, absolute, unconditional and irrevocable. The Guarantor Liabilities of each Guarantor shall remain effective despite, and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, anything done, omitted to be done, suffered or permitted by the Lender, the Borrower, any other Guarantor or any other Person, or by any other matter, act, omission, circumstance, development or other thing of any nature, kind or

description, other than the due payment and performance in full of all of the Borrower Liabilities and all of the Guarantor Liabilities of such Guarantor.

4. Guarantee Absolute. Without limiting the generality of Section 3, the Guarantor Liabilities of each Guarantor shall remain fully effective and enforceable against such Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, and the rights and remedies of the Lender under this Agreement shall not in any way be diminished or prejudiced by, and each Guarantor hereby consents to or waives, as applicable, to the fullest extent permitted by applicable Law:

- (a) any lack of genuineness, legality, validity or enforceability of any of the Borrower Liabilities or of any agreement or arrangement between the Borrower, any other Guarantor, the Lender or any other Person, or any failure by the Borrower, any other Guarantor, the Lender or any other Person, to carry out any of its obligations under any such agreement or arrangement;
- (b) any change in the existence, name, objects, business, powers, organization, share capital, Organizational Documents, ownership, control, directors or management of the Borrower, such Guarantor or any Surety, the reorganization of the Borrower, such Guarantor or any Surety, any amalgamation or merger by the Borrower, such Guarantor or any Surety with any other Person or Persons, or any continuation of the Borrower, such Guarantor, or any Surety under the laws of any jurisdiction;
- (c) any lack or limitation of power, incapacity or disability of the Borrower, such Guarantor or any Surety or of the directors, officers, managers, employees or agents of the Borrower, such Guarantor or any Surety or any other irregularity, defect or informality, or any fraud, by the Borrower, such Guarantor or any Surety or any of their respective directors, officers, managers, employees or agents, with respect to any or all of the Borrower Liabilities, any or all of its Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;
- (d) any non-compliance with or contravention by such Guarantor of any provision of any corporate statute applicable to such Guarantor relative to guarantees or other financial assistance given by such Guarantor;
- (e) any impossibility, impracticability, frustration of purpose, force majeure or act of Governmental Authority with respect to the performance of any of the Borrower Liabilities or Guarantor Liabilities;
- (f) any Insolvency Proceeding affecting, or the financial condition of, the Borrower, such Guarantor, any Surety, the Lender or any other Person at any time;
- (g) any law, regulation, limitation or prescription period or other circumstance that might otherwise be a defence available to, or a discharge of, the Borrower, such Guarantor or any Surety in respect of any or all of the Borrower Liabilities, any or all of its Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;

- (h) any loss of, or in respect of, any Security by or on behalf the Lender from the Borrower, such Guarantor, any Surety or any other Person, whether occasioned through the fault of the Lender or otherwise;
- (i) any loss or impairment of any right of such Guarantor for subrogation, reimbursement or contribution, whether or not as a result of any action taken or omitted to be taken by the Lender; or
- (j) any other matter, act, omission, circumstance, development or thing of any and every nature, kind and description whatsoever, whether similar or dissimilar to the foregoing (other than the due payment and performance in full of the Borrower Liabilities and its Guarantor Liabilities) that might in any manner (but for the operation of this Section) operate (whether by statute, at law, in equity or otherwise) to release, discharge, diminish, limit, restrict or in any way affect the liability of, or otherwise provide a defence to, a guarantor, a surety, or a principal debtor, even if known by the Lender.

5. Dealing with Borrower Liabilities. Without limiting the generality of Section 3, the Guarantor Liabilities of each Guarantor shall remain fully effective and enforceable against such Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, and the rights and remedies of the Lender under this Agreement shall not in any way be diminished or prejudiced by, and each Guarantor hereby consents to or waives, as applicable, to the fullest extent permitted by applicable Law:

- (a) any amendment, alteration, novation or variation in any manner and to any extent (and irrespective of the effect of the same on any Guarantor) of any of the Borrower Liabilities, any of the liabilities and obligations of any Surety, any Security or any Lender arrangements or agreements with the Borrower, any Guarantor, any Surety or any other Person;
- (b) any limitation, compromise, subordination, postponement or abandonment of any of the Borrower Liabilities, any of the Guarantor Liabilities of any Guarantor, any of the liabilities and obligations of any Surety, any Security or any Lender arrangements or agreements with the Borrower, any Guarantor, any Surety or any other Person;
- (c) any grant of time, renewal, extension, indulgence, release, discharge or other course of conduct by the Lender to the Borrower, any Guarantor, any Surety or any other Person;
- (d) the creation of any new or additional Borrower Liabilities, the increase or reduction of the rate of interest on any or all of the Borrower Liabilities or any other rates or fees payable under or in respect of any or all of the Borrower Liabilities;
- (e) any alteration, settlement, compromise, acceleration, extension or change in the time or manner for payment or performance by the Borrower made or permitted

by the Lender, or by any Guarantor or any other Person or Persons liable to the Lender with respect to, any or all of the Borrower Liabilities;

- (f) the Lender taking or abstaining from taking Security from the Borrower, any Guarantor, any Surety or any other Person or abstaining from completing, perfecting or maintaining the perfection of any Security;
- (g) the Lender releasing, substituting or adding one or more Guarantors, Sureties or endorsers, accepting additional or substituted Security, or releasing, subordinating or postponing any Security;
- (h) the Lender accepting compromises from the Borrower, any Guarantor, any Surety or any other Person;
- (i) the creation or addition of any new Facility Documents, or the addition of any new secured Person pursuant to the provisions of any Facility Documents;
- (j) the Lender doing, or omitting to do, anything to enforce the payment or performance of any or all of the Borrower Liabilities, any or all of the Guarantor Liabilities of any Guarantor, any or all of the liabilities and obligations of any Surety or any Security;
- (k) the Lender giving or refusing to give or continuing to give any credit or any financial accommodation to the Borrower or to any other Person;
- (l) the Lender proving any claim in any Insolvency Proceeding affecting the Borrower, any Guarantor, any Surety or any other Person as they see fit or refraining from proving any claim or permitting or suffering the impairment of any of the Borrower Liabilities in any such Insolvency Proceeding; making any election in any such Insolvency Proceeding; permitting or suffering the creation of secured or unsecured credit or debt in any such Insolvency Proceeding; or permitting or suffering the disallowance, avoidance, or subordination of any of the Borrower Liabilities or the obligations of any other debtor with respect to the Borrower Liabilities in any such Insolvency Proceeding;
- (m) the Lender applying any money received from the Borrower, any Guarantor, any Surety, any other Person or any Security upon such part of the Borrower Liabilities as the Lender may see fit or changing any such application in whole or in part from time to time as the Lender may see fit; or
- (n) the Lender otherwise dealing with the Borrower, any Guarantor, any Surety, any other Person, the Borrower Liabilities, the Guarantor Liabilities of any Guarantor, the liabilities and obligations of any Sureties, and all Security as the Lender may see fit.

6. Settlement of Accounts. Any account settled or stated between the Lender and the Borrower shall be accepted by each Guarantor as *prima facie* evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

7. **Indemnity.** If any or all of the Borrower Liabilities are not duly paid or performed by the Borrower and are not paid or performed by the Guarantors under Section 2 for any reason whatsoever, each Guarantor shall, as a separate and distinct obligation, indemnify and save the Lender harmless from and against all losses, costs, damages, expenses, claims and liabilities that the Lender may suffer or incur in connection with or in respect of any failure by the Borrower for any reason to pay or perform any of the Borrower Liabilities, and shall pay all such amounts to the Lender after demand as herein provided.

8. **Guarantors Liable as Principal Borrower.** If, and to the extent that, any amount in respect of the Borrower Liabilities is not recoverable from any Guarantor under this Agreement on the basis of a guarantee or the Lender is not indemnified under Section 7, in each case, for any reason whatsoever, then, notwithstanding any other provision of this Agreement, such Guarantor shall be liable under this Agreement as principal obligor in respect of the due payment of such amount and shall pay such amount to the Lender after demand as herein provided.

9. **Guarantor Branches Liable.** This Agreement is binding and the Guarantor Liabilities are fully effective and enforceable against any branch, division or associated non-distinct legal entity of each Guarantor. Each Guarantor hereby undertakes to perform any and all actions and file any and all documents required in order for this Agreement and the Guarantor Liabilities to bind the assets of or otherwise be effective against any such branch, division or associated non-distinct legal entity.

10. **Continuing Guarantee.** This Agreement is a continuing guarantee and is binding as a continuing obligation of each Guarantor and the Borrower Liabilities shall be conclusively presumed to have been created in reliance on this Agreement. A Guarantor may not in any manner terminate this Agreement or the Guarantor Liabilities of such Guarantor other than by the due and punctual payment in full of the Guarantor Liabilities of such Guarantor.

11. **Stay of Acceleration.** If acceleration of the time for payment, or the liability of the Borrower to make payment, of any amount specified to be payable by the Borrower in respect of the Borrower Liabilities is stayed, prohibited or otherwise affected upon any Insolvency Proceeding or other event affecting the Borrower or payment of any of the Borrower Liabilities by the Borrower, all such amounts otherwise subject to acceleration or payment shall nonetheless be deemed for all purposes of this Agreement to be and to have become due and payable by the Borrower and shall be payable by each Guarantor under this Agreement immediately forthwith on demand by the Lender.

12. **Borrower Information.** Each Guarantor acknowledges and agrees that such Guarantor has not executed this Agreement as a result of, by reason of, or in reliance upon, any promise, representation, statement or information of any kind or nature whatsoever given, or offered to such Guarantor, by or on behalf of the Lender or any other Person whether in answer to any enquiry by or on behalf of such Guarantor or not and the Lender was not prior to the execution by such Guarantor of this Agreement, and is not thereafter, under any duty to disclose to such Guarantor or any other Person any information, matter or thing (material or otherwise) relating to the Borrower, its affairs or its transactions with the Lender, including any information, matter or thing which puts or may put the Borrower in a position which such Guarantor would not naturally expect or any unexpected facts or unusual features which, whether known or unknown

to such Guarantor, are present in any transaction between the Borrower and the Lender, and the Lender was not and is not under any duty to do or execute any matter, thing or document relating to the Borrower, its affairs or its transactions with the Lender. Each Guarantor acknowledges and confirms that it has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by such Guarantor concerning the financial condition of the Borrower and that such Guarantor will look to the Borrower, and not to the Lender, in order for such Guarantor to keep adequately informed of changes in the Borrower's financial condition.

13. Reinstatement. If, at any time, all or any part of any payment previously applied by the Lender to any of the Borrower Liabilities is or must be rescinded or returned by the Lender for any reason whatsoever (including any Insolvency Proceeding affecting the Borrower or any other Person), such Borrower Liabilities shall, for the purpose of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Borrower Liabilities, all as though such application by the Lender had not been made.

14. Subrogation. Notwithstanding any payment made by any Guarantor under this Agreement or any setoff or application of funds of any Guarantor by the Lender, no Guarantor shall have any right of subrogation to, and each Guarantor waives, any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower, until all of the Borrower Liabilities have been indefeasibly paid in full; and until that time, each Guarantor waives any benefit of, and any right to participate in, any Security now or hereafter held by the Lender for the Borrower Liabilities.

15. Insolvency Proceedings. In any Insolvency Proceeding affecting the Borrower, the Lender shall have the right, in priority to each Guarantor, to receive its full claim in respect of such Insolvency Proceeding for all of the Borrower Liabilities. The Lender shall have the right to include in its claim in any Insolvency Proceeding affecting the Borrower all or any part of the payments made by each Guarantor under this Agreement and, to prove and rank for, and receive dividends in respect of, all such claims, all of which rights and privileges as they relate and apply to each Guarantor are hereby assigned by such Guarantor to the Lender. The provisions of this Section shall be sufficient authority for any Person making payment of any such dividends to pay the same directly to the Lender. The Lender shall be entitled to receive all dividends or other payments in respect of all of the above referenced claims until all of the Borrower Liabilities are paid and satisfied in full and each Guarantor shall continue to be liable under this Agreement for any unpaid balance of the Borrower Liabilities. If any amount is paid to any Guarantor under any Insolvency Proceeding affecting the Borrower when any of the Borrower Liabilities remain outstanding, such amount shall be received and held in trust by such Guarantor for the benefit of the Lender and shall be immediately paid to the Lender to be credited and applied against the Guarantor Liabilities of such Guarantor. In any Insolvency Proceeding affecting the Borrower the Lender may in its discretion value as it sees fit, or may refrain from valuing, any Security held by or for the benefit of any of them.

16. Marshalling. Each Guarantor waives to the fullest extent permitted by applicable law, any right or claim of right to cause a marshalling of the Borrower's, a Surety's or any other

Person's assets, or to cause the Lender to proceed against the Borrower, a Surety or any other Person, or any Security, in any particular order. The Lender shall not have any obligation to marshal any assets in favour of the Borrower, a Surety or any other Person or against or in payment of any of the Borrower Liabilities or any of the obligations of any Guarantor, the Borrower, a Surety or any other Person owed to the Lender.

17. Enforcing Rights Against Guarantors. This is a guarantee of payment and performance and not of collection. The Lender shall not be required to take any action or to exhaust its recourse against the Borrower, any Guarantor, any Surety or any other Person, or to enforce or value any Security, before being entitled to payment from, and to enforce its rights and remedies against, any Guarantor under this Agreement. Each Guarantor hereby renounces to the benefits of division and discussion.

18. Foreign Currency Guarantor Liabilities. Each Guarantor shall make payment relative to any Borrower Liabilities in the currency (the "**Original Currency**") in which the Borrower is required to pay such Borrower Liabilities. If any Guarantor makes payment relative to any Borrower Liabilities in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the Guarantor Liabilities of such Guarantor only to the extent of the amount of the Original Currency which the Lender is able to purchase at Toronto, Ontario with the amount it receives on the date of receipt. If the amount of the Original Currency which the Lender is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Borrower Liabilities, such Guarantor shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity constitutes an obligation separate and independent from the other obligations contained in this Agreement, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Lender and continues in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

19. Taxes and Set-Off. All payments to be made by any Guarantor hereunder shall be made without set-off, compensation, deduction or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If at any time any applicable law requires any Guarantor to make any such deduction or withholding from any such payment, the sum due from such Guarantor with respect to such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

20. Representations and Warranties. Each Guarantor represents and warrants, upon each of which representations and warranties the Lender relies, that each of the representations and warranties relative to such Guarantor in each of the other Facility Documents is true and correct when made or deemed made.

21. Covenants. Each Guarantor shall comply, and shall cause each of its subsidiaries to comply, with all of the provisions, covenants and agreements contained in each of the Facility Documents to the extent that such provisions, covenants and agreements apply to such Guarantor

or its subsidiaries, and shall cause each of its subsidiaries to, take, or refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in any of the Facility Documents, and so that no Default or Event of Default under any of the Facility Documents, is caused by the actions or inactions of such Guarantor or any of its subsidiaries.

22. Communication. Any notice or other communication required or permitted to be given under this Agreement or under the applicable laws shall be in writing and shall be made in accordance with the terms of the Credit Agreement and the applicable laws.

23. Expenses; Indemnity; Waiver.

- (a) Each Guarantor shall pay to the Lender (i) all reasonable out-of-pocket expenses incurred by the Lender and any of its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Lender and all applicable Taxes, in connection with the Facility Indebtedness provided for in the Credit Agreement and the preparation and administration of this Agreement and the other Facility Documents, (ii) all reasonable out-of-pocket expenses incurred by the Lender and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Lender and applicable Taxes, in connection with any amendments, modifications or waivers of the provisions hereof or any of the other Facility Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), and (iii) all reasonable out-of-pocket expenses incurred by the Lender including the fees, charges and disbursements of any counsel for the Lender and all applicable Taxes, in connection with the assessment, enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Guarantor Liabilities of such Guarantor.
- (b) Each Guarantor shall indemnify the Lender, as well as any related party and each assignee of any of the foregoing Persons (each such Person and each such assignee being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable Taxes to which any Indemnitee may become subject arising out of or in connection with (i) the execution or delivery of any of the Facility Documents or any agreement or instrument contemplated thereby, the performance by such Guarantor of its obligations hereunder or thereunder, and the consummation of the transactions or any transactions hereunder or thereunder, (ii) any loan or letter of credit or any actual or proposed use of the proceeds therefrom, including any refusal by the issuing bank to honour a demand for payment under a letter of credit if the documents presented in connection with such demand do not strictly comply with the terms of such letter of credit, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Credit Party, or any Environmental Matters related in any way to a Credit Party, (iv) any actual or prospective claim,

litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort, delict or any other theory and regardless of whether any Indemnitee is a party thereto, (v) any other aspect of this Agreement and the Facility Documents, or (vi) the enforcement of any Indemnitee's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries, in each case regardless of whether or not the transactions are consummated; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence), or wilful misconduct of or material breach of this Agreement by such Indemnitee.

- (c) No Guarantor shall assert, and each Guarantor hereby waives, any claim against any Indemnitee (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any other Facility Document.
- (d) All amounts due under this Section shall be payable to the Lender not later than three Business Days after written demand therefor.
- (e) The indemnifications set out in this Agreement shall survive the payout of the Borrower Liabilities and the Guarantor Liabilities of each Guarantor.

24. Additional Security. This Agreement is in addition to, and not in substitution of, any and all other Security previously or concurrently delivered by any Guarantor or any other Person to the Lender, all of which other Security shall remain in full force and effect.

25. Alteration. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Lender.

26. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

27. Set-off. If an Event of Default shall have occurred and be continuing, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set-off, compensate against or combine and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by the Lender and other obligations at any time owing by the Lender to or for the credit or the account of any Guarantor against or with any or all of the Guarantor Liabilities of such Guarantor, irrespective of whether or not the Lender shall have made any demand under any Facility Documents and although such obligations may be unmatured. The rights of the Lender under this Section are in addition to

other rights and remedies (including other rights of set-off or combination) which the Lender may have.

28. Governing Law; Attornment. This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, each Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the Supreme Court of British Columbia. To the extent permitted by applicable Law, each Guarantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province. Each Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to each Guarantor at the address as provided for pursuant to Section 22. Nothing in this Section affects the right of the Lender to serve process in any manner permitted by applicable Law.

29. Time. Time is of the essence with respect to this Agreement and the time for performance of the obligations of each Guarantor under this Agreement may be strictly enforced by the Lender. The limitation period applicable to any proceeding relating to a claim under, in connection with, or with respect to this Agreement shall be solely as prescribed in Sections 2, 3, and 21 of the *Limitations Act, 2012* (British Columbia), and any other limitation period in respect of such claim (including that provided for in Section 6 of the *Limitations Act, 2012* (British Columbia)) is extended accordingly.

30. Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “or” is disjunctive; the word “and” is conjunctive. The word “shall” is mandatory; the word “may” is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, replaced or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement. Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

31. Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, each Guarantor and its successors and assigns, and shall enure to the benefit of, and be

binding on, the Lender and its successors and assigns. No Guarantor may assign this Agreement, or any of its rights or obligations under this Agreement. The Lender may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such.

32. Acknowledgment of Receipt. Each Guarantor acknowledges receipt of an executed copy of this Agreement.

33. Additional Guarantors. Additional Persons may from time to time after the date of this Agreement become Guarantors under this Agreement by executing and delivering to the Lender a supplemental agreement (together with all schedules thereto, a "**Supplement**") to this Agreement, in substantially the form attached hereto as Exhibit A. Effective from and after the date of the execution and delivery by any Person to the Lender of a Supplement such Person shall be, and shall be deemed for all purposes to be, a Guarantor under this Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities and obligations, as if such Person had been an original signatory to this Agreement as a Guarantor. The execution and delivery of a Supplement by any additional Person shall not require the consent of the Borrower or any Guarantor and all of the liabilities and obligations of each Guarantor shall remain in full force and effect, notwithstanding the addition of any new Guarantor to this Agreement.

34. Joint and Several Liability. Except as expressly provided otherwise hereunder, each Guarantor is jointly and severally liable for all obligations of the other Guarantors under this Agreement.


35. Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Lender under the Credit Agreement. If any act or omission of the Guarantor is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve the Guarantor from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

36. Counterparts; Delivery. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed signature page to this Agreement by any Guarantor by facsimile or other electronic form of transmission shall be as effective as delivery by such Guarantor of a manually executed copy of this Agreement by such Guarantor.

[Signatures Follow]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.


ALDERON IRON ORE CORP.

Per: 
Authorized Signatory

PRESIDENT & CHIEF EXECUTIVE OFFICER

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

KAMI GENERAL PARTNER LIMITED

Per: 

Authorized Signatory
TAYFUN ELDEM
PRESIDENT

EXHIBIT A

**FORM OF SUPPLEMENT
TO GUARANTEE**

TO: Name: Sprott Private Resource Lending (Collector), LP
Address: Suite 2750, 200 Bay Street, Toronto, ON M5J 2J2
Attention: Chief Financial Officer
Telephone: (416) 977-7222
Facsimile: (416) 977-9555

WHEREAS:

A. Reference is made to the Guarantee (the "**Agreement**") dated as of June 20, 2018 entered into by the Guarantors party thereto and any other Person which thereafter signs a Supplement, in favour of the Lender.

B. The Kami Mine Limited Partnership (the "**Borrower**") and Sprott Private Resource Lending (Collector), LP, and its successors and permitted assigns (the "**Lender**") are party to a credit agreement dated as of the date hereof (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

C. Capitalized terms used but not otherwise defined in this Supplement have the respective meanings given to such terms in the Agreement, including the definitions of terms incorporated in the Agreement by reference to other agreements.

D. Section 33 of the Agreement provides that additional Persons may from time to time after the date of the Agreement become Guarantors under the Agreement by executing and delivering to the Lender a supplemental agreement to the Agreement in the form of this Supplement.

E. The undersigned (the "**New Guarantor**") has agreed to become a Guarantor under the Agreement by executing and delivering this Supplement to the Lender.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged by the New Guarantor, the New Guarantor agrees with and in favour of the Lender as follows:

1. The New Guarantor has received a copy of, and has reviewed, the Agreement and is executing and delivering this Supplement to the Lender pursuant to Section 33 of the Agreement.

2. Effective from and after the date this Supplement is executed and delivered to the Lender by the New Guarantor, the New Guarantor shall be, and shall be deemed for all purposes to be, a Guarantor under the Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities and obligations, as if the New Guarantor had been, as of the date of this Supplement, an original signatory to the Agreement as a Guarantor. In furtherance of the foregoing, the New Guarantor hereby unconditionally and irrevocably guarantees the prompt payment and performance to the Lender of all Borrower Liabilities when

due in accordance with their terms. The terms and provisions of the Agreement are incorporated by reference in this Supplement.

3. The New Guarantor represents and warrants to the Lender that each of the representations and warranties made or deemed to have been made by it under the Agreement as a Guarantor are true and correct on the date of this Supplement.

4. Upon this Supplement bearing the signature of any Person claiming to have authority to bind the New Guarantor coming into the possession of the Lender, this Supplement and the Agreement shall be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, the New Guarantor free from any promise or condition affecting or limiting the liabilities of the New Guarantor and the New Guarantor shall be, and shall be deemed for all purposes to be, a Guarantor under the Agreement. No statement, representation, agreement or promise by any officer, employee or agent of the Lender, unless expressly set forth in this Supplement, forms any part of this Supplement or has induced the New Guarantor to enter into this Supplement and the Agreement or in any way affects any of the agreements, obligations or liabilities of the New Guarantor under this Supplement and the Agreement.

5. This Supplement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Supplement. Delivery of an executed signature page to this Supplement by the New Guarantor by facsimile or other electronic transmission shall be as effective as delivery by the New Guarantor of a manually executed copy of this Supplement by the New Guarantor.

6. This Supplement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

7. This Supplement and the Agreement shall be binding upon the New Guarantor and its successors. The New Guarantor shall not assign its rights and obligations under this Supplement or the Agreement or any interest in this Supplement or the Agreement.

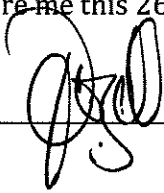
[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Supplement as of the date first above written.

[LEGAL NAME OF NEW GUARANTOR]

Per: _____
Authorized Signatory

This is Exhibit "7" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

DEBENTURE

Holder and

Address: **SPROTT PRIVATE RESOURCE LENDING (COLLECTOR) LP, by its
general partner SPROTT RESOURCE LENDING CORP.
(the "Holder")**
200 Bay Street, Suite 2600
Toronto, Ontario M5J 2J1
Attention: Chief Financial Officer
Fax: (416) 977-9555

Effective

Date: July 10th, 2018

WHEREAS:

- A. Pursuant to the terms of a credit agreement dated as of June 20, 2018 by and among The Kami Mine Limited Partnership ("**Kami LP**"), as borrower, Kami General Partner Limited ("**Kami GP**" and together with Kami LP "**Kami**") and Alderon Iron Ore Corp. ("**Alderon**"), as a guarantors, and the Holder, as lender (as such is amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**" and together with any other agreement or security or debt instrument entered into in accordance with the Credit Agreement the "**Loan Documents**"), the Holder established a \$14,000,000 principal amount senior secured credit facility in favour of Kami LP.
- B. To secure payment and performance of all of its present and future obligations (absolute or contingent, matured or otherwise) to the Holder under the Loan Documents, Kami has agreed to grant to the Holder a charge over the Collateral (as defined below) in accordance with the terms of this Debenture.
- C. All capitalized terms used but not defined herein have the meaning ascribed to such terms in the Credit Agreement.

ARTICLE 1 PROMISE TO PAY

- 1.1 Kami acknowledges itself indebted and promises to pay in accordance with the terms of the Credit Agreement, to or to the order of the Holder or any subsequent holder or holders of this Debenture, the Principal Sum set out below at such place as the Holder, from time to time, may designate by notice in writing to Kami, and to pay interest thereon at the applicable interest rate set forth in the Credit Agreement.

**ARTICLE 2
SUM AND OBLIGATIONS**

- 2.1 The “**Principal Sum**” is, collectively and at any time and from time to time, the Facility Indebtedness outstanding from time to time under the Credit Agreement
- 2.2 Pursuant to the terms of the Credit Agreement and in consideration of good and valuable consideration (the receipt and sufficiency of which are acknowledged), Kami has agreed to grant this Debenture as security for (a) the Principal Sum, and (b) the performance of all obligations of Kami contained herein and in any of the Loan Documents (all of the foregoing being herein collectively referred to as the “**Obligations**”).

**ARTICLE 3
SECURITY**

- 3.1 As general and continuing collateral security for the Obligations, Kami hereby:
- (a) grants, assigns, conveys, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Holder, its successors and assigns, all of Kami’s present and after-acquired right, title, estate and interest in and to:
 - (i) all of Kami’s present and after-acquired personal property, including, without limitation, all goods, a document of title, chattel paper, investment property, instruments, money or intangibles;
 - (ii) all Mineral Rights;
 - (iii) all interest in the Minerals which may be produced or extracted from the areas covered by the Mineral Titles (whether stored on Kami’s real property or at any other location) together with all accounts, contract rights, general tangibles (including, for greater certainty, the Tangibles), products and proceeds arising from or derived from the sale, transfer or other disposition of such Minerals;
 - (iv) all servitudes, leases, licenses, privileges, easements, rights-of-way, right of entry orders, rights of ingress and egress and other surface rights under which Kami derives, holds or maintains rights to enter, occupy and use the Lands or to access the Mineral Titles or the Mineral Rights or to enter, occupy and use other lands wheresoever located in respect of operations or activities pertaining to drilling for, producing, storing, treating, processing or transporting Minerals and associated substances and waste products located within, upon or under or produced from the Mineral Titles;
 - (v) buildings, structures, erections, works, plants and fixtures situated on the Lands or other lands wheresoever located and which are used or useful in

the operations or activities pertaining to drilling for, producing, storing, treating, processing or transporting Minerals and associated substances and waste products located within, upon or under or produced from the Mineral Titles;

- (vi) all other leases, licenses, permits, reservations, agreements, authorizations and other instruments under which Kami derives, holds or maintains Mineral Rights and all rights, benefits, privileges and advantages of Kami thereunder or derived therefrom
- (vii) all of Kami's right, title and interest in all present and future book debts, accounts and other accounts receivable (including, without limitation, proceeds of any financing or credit arrangements), claims, demands, chattel papers, contract rights, notes and choses in action, together with all security therefor, including without limitation, all of its present and future mortgages, debentures, bonds, promissory notes, bills of exchange, insurance claims, and judgments, and together with all investment property, partnership interests, joint venture interests, documents, goodwill, patents, copyright and other intellectual properties, computer hardware and software and all rights and licences relating thereto, or records now or hereafter owned by Kami and representing or evidencing such intangibles, and all other rights and benefits in respect thereof;
- (viii) fixed machinery, plant, equipment, apparatus and fittings and other fixtures and all materials, supplies, machinery, equipment, chattels, furniture, tools, accessories, appliances, goods, vehicles, undertakings, documents of title, chattel paper, instruments, money, investment property, inventory, proceeds and other items of personal property now or hereafter situate upon, constructed or placed on the said Lands or used in connection therewith;
- (ix) all rents, revenues, income, proceeds, profits and other moneys derived from or pertaining to the Lands and the Mineral Rights or any part thereof to which Kami may be entitled from time to time, with full power to demand, sue, recover, receive and give receipts for all such moneys and otherwise to enforce the rights of Kami thereto in the name of Kami;
- (x) to the fullest extent permitted by applicable law, all authorizations, orders, permits, approvals, grants, licences, consents, rights, franchises, privileges, certificates, judgments, writs, injunctions, awards, determinations, directions, decrees, demands or the like issued or granted by law or by rule or regulation of any public body now or hereafter issued or granted to it with respect to the use, development and operation of the Mineral Titles, Lands and the Kami Project,

to have and to hold the same unto the Holder and its successors and assigns, forever. In each case, including all property in any form (including money) derived, directly or indirectly, from any dealing with the property described in this Section 3.1, or proceeds therefrom or which indemnifies or compensates for all or part of such property or proceeds therefrom that is destroyed or damaged, and all amendments, extensions, restatements, supplements, renewals, substitutions and replacements thereof and all benefit, power and advantage of Kami to be derived therefrom; and

- (b) mortgages, charges, pledges and assigns as and by way of a fixed charge, to and in favour of the Holder and its successors and assigns all of Kami's real property, including, without limitation:
 - (i) that property described in Schedule "A" hereto, together with all buildings and erections, plant, fixed machinery and fixed equipment, paths, passages, water courses, privileges hereditaments and appurtenances to the same belonging in or in any way pertaining the reversion, remainder, rents, issues and profits thereof and all the estate, right, title, interest claim, property and demand both at law and in equity, of Kami therein and thereto, including without limitation all water rights, privileges, concessions, claims, easements, works rights of way, licences, Minerals, Mineral Rights; and
 - (ii) the Leases and every interest of Kami therein or arising thereunder, including without limitation the Minerals, the Mineral Rights and any other similar rights and every interest therein, and any rights or similar instruments by way of extension, amendment, renewal, substitution or supplement thereof which Kami now has, is entitled to obtain or hereafter acquires in the Province of Newfoundland and Labrador; and
- (c) assigns, conveys and mortgages as and by way of a first floating charge:
 - (i) all after-acquired real and immovable property and rights of Kami together with all buildings and erections, plant, fixed machinery and fixed equipment, paths, passages, water courses, privileges hereditaments and appurtenances to the same belonging in or in any way pertaining the reversion, remainder, rents, issues and profits thereof and all the estate, right, title, interest claim, property and demand both at law and in equity, of Kami therein and thereto, including without limitation all water rights, privileges, concessions, claims, easements, works, rights of way, licences, Minerals, Mineral Rights; and
 - (ii) all after-acquired Minerals, mineral exploration and mining, surface and access rights or licences, leases, grants and other rights issued by or held from an Official Body or otherwise held by Kami from time to time..

In this Debenture, the mortgages and charges hereby constituted are called the “**Security Interest**” and the subject matter of the Security Interest is called the “**Collateral**”, provided that the said mortgages and charges shall not extend or apply to any personal property which is consumer goods.

- 3.2 Wherever the terms “chattel paper”, “consumer goods”, “equipment” “financing change statement”, “financing statement”, “goods”, “instrument”, “inventory”, “intangible”, “money”, and “proceeds” are used herein they shall be interpreted in accordance with their respective meanings in the *Personal Property Security Act* (Newfoundland and Labrador), as amended from time to time.
- 3.3 The Security Interest will not extend or apply to the last day of the term of any lease of real property or agreement therefor, but, upon the enforcement of the Security Interest, Kami will stand possessed of such last day in trust to assign the same at the direction of the Holder to any Person acquiring such term.
- 3.4 The Security Interest is intended to attach:
- (a) to the existing Collateral when Kami signs this Debenture; and
 - (b) to Collateral subsequently acquired by Kami, immediately upon Kami acquiring any rights in such Collateral.
- Kami and the Holder do not intend to postpone the attachment of any security created by this Debenture.
- 3.5 Without limiting its rights hereunder to crystallize the Security Interest in any other manner, the Holder may at its option, crystallize and fix the Security Interest in respect of all or a portion of the Collateral that is the subject matter of the floating charge hereof, by registering this Debenture, or a caveat, security notice, financing statement, financing change statement or other instrument in respect of this Debenture, at any public registry or other office maintained for the purposes of registering fixed and specific mortgages and after such crystallization, the Security Interest in respect of such Collateral that is the subject of the registration shall constitute a fixed and specific mortgage to and in favour of the Holder and its successors and assigns, in respect of such Collateral, and Kami shall not thereafter dispose of or otherwise deal with such Collateral without the consent of the Holder. Kami shall execute such further documents and do all acts reasonably requested by the Holder to give effect to the foregoing.
- 3.6 The Security Interest does not and will not extend to, and the Collateral will not include, any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which Kami is a party or of which Kami has the benefit, to the extent that the creation of the Security Interest would constitute a breach of the terms of or permit any Person to terminate the Contractual Rights, but Kami will hold its interest therein in trust for the Holder and will assign such Contractual Rights to the Holder forthwith upon obtaining the consent of the other party or parties thereto.

- 3.7 Notwithstanding the provisions of this Debenture, (a) Kami shall remain liable to perform all of its duties and obligations in regard to the Collateral (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Debenture has not been executed, (b) the exercise by the Holder of any of its rights and remedies under or in regard to this Debenture shall not release Kami from such duties and obligations and (c) Kami shall have no liability for such duties and obligations by reason only of the execution and delivery of this Debenture.
- 3.8 Kami confirms that value has been given, that Kami has rights in the Collateral and that Kami and the Holder have not agreed to postpone the time for attachment of Security Interest to any Collateral.
- 3.9 To the extent permitted by applicable Law, the Security Interest shall not be impaired by any indulgence, moratorium or release which may be granted including, but not limited to, any renewal, extension or modification which may be granted with respect to any secured indebtedness or any surrender, compromise, release, renewal, extension, exchange or substitution which may be granted in respect of the Collateral or any part thereof, or any release or indulgence granted to any guarantor or surety.
- 3.10 The Security Interest shall be subordinated on terms and conditions acceptable to the Holder, acting reasonably, pursuant to a written intercreditor and/or subordination agreement on terms and conditions reasonably acceptable to the Holder, to indebtedness and Encumbrances in favour of a third person or persons providing Project Debt Financing (and any Swap Agreements entered in connection therewith) to Kami LP or Alderon.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

- 4.1 The representations and warranties of Kami set out in the Credit Agreement are incorporated by reference into this Debenture as if restated in full in this Debenture.
- 4.2 In addition to and not in substitution of any of the representations and warranties of Kami contained in the Credit Agreement and incorporated by reference in accordance with Section 4.1 hereof, Kami hereby represents and warrants to the Holder, and acknowledges that the Holder is relying upon such representations and warranties that:
- (a) Kami has been duly incorporated or formed and organized under the laws of its jurisdiction of incorporation or formation and is validly existing and is current and up-to-date with all filings required to be made under the laws of its jurisdiction of incorporation or formation to maintain its existence and has all requisite corporate power to carry on its business as now conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any other person or

- entity, voluntary or otherwise, requiring or authorizing its dissolution or winding up.
- (b) The giving of this Debenture is not being made with the intent to hinder, delay or defraud either present or future creditors of Kami.
 - (c) The Leases are valid and subsisting and in full force and effect as of the date hereof and are held by Kami GP, in its capacity as, and for and on behalf of, Kami LP.
 - (d) Kami has good and valid title to the Interests set forth in the Leases and to all personal property and fixtures comprising a part of the Collateral used, to be used or obtained in connection with the Kami Project, except for Permitted Encumbrances.
 - (e) Where Kami or any Affiliate thereof (or its predecessor in interest) is operator or has operated the Lands and Mineral Titles, or to the best of Kami's knowledge where a party other than Kami or any Affiliate thereof (or its predecessor in interest) has operated the Lands and Mineral Titles, all rentals, royalties and other amounts due and payable under the Leases and Contracts have been duly paid, and obligations to be performed under the Leases and Contracts as to the Lands and Mineral Titles have been duly performed.
 - (f) As of the date hereof, Kami is not a party to, and none of the Minerals produced from any of the mines located on the Leases are the subject of, any Advance Payment Contract affecting or relating to any of the Collateral (as used herein, the term "**Advance Payment Contract**" means any contract whereby Kami either:
 - (i) receives or becomes entitled to receive (either directly or indirectly to a third party for Kami's account or benefit) any payment (an "**Advance Payment**") to be applied toward payment of the purchase price of Minerals produced or to be produced from any of the Mineral Titles and which Advance Payment is paid in advance of actual delivery of such production to or for the account of the purchaser regardless of such production, or
 - (ii) grants an option or right of refusal to a purchaser to take delivery of such production in lieu of payment, and, in either of the foregoing instances, the Advance Payment is, or is to be, applied as payment in full for such production when sold and delivered or is, or is to be, applied as payment for a portion only of the purchase price thereof or of a percentage or share of such production; provided that inclusion of the standard "take or pay" provision in any gas sales or purchase contract shall not, in and of itself, constitute such contract as an Advance Payment Contract for the purposes hereof).

- (g) Except for Permitted Encumbrances there are no unsatisfied judgments, claims, liens, proceedings, actions, governmental investigations, or lawsuits in existence to its knowledge, contemplated, or threatened against or with respect to the Collateral or Kami's interest therein, and there exists no particular circumstance which it reasonably believes will give rise to such a claim, lien, proceeding, action, governmental investigation, or lawsuit.
- (h) It has not received any notice of default under the Leases or any notice alleging its default under any agreement pertaining to any of the Collateral, which default has not been rectified as of the date of this Debenture.
- (i) The Tangibles operated by it have been constructed, installed, maintained, and operated in accordance with generally accepted engineering practices, good mining practices, and the material requirements of applicable Law.
- (j) Except as specifically identified in Schedule "A", its interest in the Tangibles is substantially equivalent to its interest in the Mineral Rights, or is sufficient to meet its current usage requirements, such that it is not subject to any penalty, fee, levy, charge or other compensation payable to any third party for use or access to the Tangibles.

ARTICLE 5 ENFORCEMENT

- 5.1 Subject to Section 5.2 hereof and the terms of the other Loan Documents, upon and during the continuance of an Event of Default under and as defined in the Credit Agreement, the Security Interest shall immediately be enforceable and the Holder will be entitled to exercise any of the remedies specified below or elsewhere in this Debenture:
- (a) The Holder may appoint by instrument in writing one or more receivers, managers or receiver/ manager for the Collateral or the business and undertaking of Kami pertaining to the Collateral (the "Receiver"). Any such Receiver will have, in addition to any other rights, remedies and powers which a Receiver may have at law, in equity or by statute, the rights and powers set out in clauses (b) through (e) in this Section 5.1. In exercising such rights and powers, any Receiver will act as and for all purposes will be deemed to be the agent of Kami and the Holder will not be responsible for any act or default of any Receiver. The Holder may remove any Receiver and appoint another from time to time. No Receiver appointed by the Holder need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court.
 - (b) Any Receiver may sell, consign, lease or otherwise dispose of any Collateral by public auction, private tender, private contract, lease or deferred payment with or without notice, advertising or any other formality, all of which are hereby waived by Kami. Any Receiver may, at its discretion establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price.

All payments made pursuant to such dispositions will be credited against the Principal Sum only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Collateral.

- (c) Any Receiver may pay any liability secured by any actual or threatened Encumbrance against any Collateral. Any Receiver may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of Kami pertaining to the Collateral and may grant Encumbrances in any Collateral in priority to the Security Interest as security for the money so borrowed. Kami will forthwith upon demand reimburse the Receiver for all such payments and borrowings and all such sums will be secured hereby and will be added to the money hereby secured and bear interest at the then-applicable rate set out in the Credit Agreement.
- (d) Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable, including without limitation:
 - (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral;
 - (ii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with Section 5.1(d)(i);
 - (iii) to file any claims or take any action or institute any proceedings which the Holder may deem to be necessary or desirable for the collection of the Collateral or to enforce compliance with the terms and conditions of any contract or any account; and
 - (iv) to perform the affirmative obligations of Kami hereunder (including all obligations of Kami pursuant to this Debenture and the other Loan Documents).
- (e) The Holder or any Receiver may carry on, or concur in the carrying on of, any or all of the business or undertaking of Kami and enter on, occupy and use (without charge by Kami) any of the premises, buildings, plant and undertaking of, or occupied or used by, Kami.
- (f) The Holder may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.

- (g) In lieu of, or in addition to, exercising its rights, remedies and powers under clauses (a), (f) and (h) of this Section 5.1, the Holder has, and may exercise, any of the rights and powers which are capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.
- (h) The Holder may elect to retain any Collateral in satisfaction of the Principal Sum. The Holder may designate any part of the Principal Sum to be satisfied by the retention of particular Collateral which the Holder considers to have a net realizable value approximating the amount of the designated part of the Principal Sum, in which case only the designated part of the Principal Sum will be deemed to be satisfied by the retention of the particular Collateral.
- (i) The Holder will not be liable or accountable for any failure to take possession of, seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral and none of them will be bound to institute proceedings for any such purposes or for the purpose of reserving any rights, remedies and powers of the Holder, Kami or any other Person in respect of any Collateral. If any Receiver or the Holder takes possession of any Collateral, neither the Holder nor any Receiver will have any liability as a mortgagee in possession or be accountable for anything except actual receipts.
- (j) Following the occurrence and during the continuance of any Event of Default, the Holder may grant renewals, extensions of time and other indulgences, accept compositions, grant releases and discharges, and otherwise deal or fail to deal with Kami, debtors of Kami, guarantors, sureties and others and with any Collateral as the Holder may see fit, all without prejudice to the liability of Kami to the Holder or the Holder's rights, remedies and powers under this Debenture or under any other Loan Documents.
- (k) No person dealing with the Holder or any Receiver, or with any officer, employee, agent or solicitor of the Holder or any Receiver will be concerned to inquire whether the Security Interests have become enforceable, whether the right, remedy or power of the Holder or the Receiver has become exercisable, whether the Obligations remain outstanding or otherwise as to the proprietary or regularity of any dealing by the Holder or the Receiver with any Collateral or to see to the application of any money paid to the Holder or the Receiver, and in the absence of fraud on the part of such Person such dealings will be deemed, as regards such Person, to be within the rights, remedies and powers hereby conferred and to be valid and effective accordingly.
- (l) As soon as the Holder takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of Kami including, without limitation, any such powers, functions, rights and privileges which have been delegated to directors and officers of Kami GP, acting for itself and in Kami GP's capacity as general partner of Kami LP, or committees with respect to such Collateral will

cease, unless specifically continued by the written consent of the Holder or the Receiver.

- (m) If the Holder demands payment of the Principal Sum that is payable on demand or if the Principal Sum is otherwise due by maturity or acceleration, it will be deemed reasonable for the Holder to exercise its remedies immediately if such payment is not made, and any days of grace or any time for payment that might otherwise be required to be afforded to Kami at law or in equity is hereby irrevocably waived.
- (n) The rights of the Holder (whether arising under this Debenture, the Loan Documents or any other agreement or at law or in equity) will not be capable of being waived or varied otherwise than by an express waiver or variation in writing, and in particular any failure to exercise or any delay in exercising any of such rights will not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights will not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on the part of the Holder or on its behalf will in any way preclude the Holder from exercising any such right or constitute a suspension or any variation of any such right.
- (o) The Holder may pay any liability secured by any security interest against any Collateral. Kami will immediately on demand reimburse the Holder for all such payments.
- (p) The Holder may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of Kami and grant security interests on any Collateral (in priority to the Security Interest or otherwise) as security for the money so borrowed. Kami will immediately on demand reimburse the Holder for all such borrowings.
- (q) The rights, remedies and powers conferred by this Section 5.1 are in addition to, and not in substitution for, any other rights, remedies or powers that the Holder may have under this Debenture, at law, in equity, by or under the *Personal Property Security Act* (Newfoundland and Labrador) as applicable or by any other statute or agreement. The Holder may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Holder will be exclusive of or dependent on any other. The Holder may exercise any of its rights, remedies or powers separately or in combination and at any time.

5.2 The proceeds of or any other amount from time to time received by the Holder or the Receiver will be applied as follows: first, to the payment in full of all reasonable fees of the Holder and all out-of-pocket costs, fees and expenses (including without limitation, reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by the Holder and any Receiver or other enforcement agent appointed by the Holder or a court of competent jurisdiction, as the case may be, in connection with the collection or

enforcement of the Obligations, the enforcement of the Security Interest or the preservation of the Collateral; second, in payment to the Holder of the Principal Sum and other amounts payable hereunder for application as set forth in the Credit Agreement; and third, the balance, if any, will be paid, subject to applicable Law, to Kami.

- 5.3 If the Holder or any Receiver exercises its rights herein to take possession of the Collateral, Kami will upon request from the Holder or any such Receiver, assemble and deliver possession of the Collateral at such place or places as directed by the Holder or any such Receiver.
- 5.4 If Kami pays to the Holder the balance of the Principal Sum (including, without limitation, all amounts forming part thereof) with interest thereon as set forth in this Debenture and any and all other amounts that are payable to the Holder, on or in relation to the repayment thereof, then the Holder will, at the written request and sole expense of Kami, reassign and reconvey the Collateral to Kami and release the Security Interest.

ARTICLE 6 ASSIGNMENT OF PRODUCTION

- 6.1 The assignment of any interest in Minerals in 3.1(a) is made upon, and subject to, the following terms and to Section 5.1:
- (a) Following the occurrence and during the continuance of any Event of Default, the Holder may give written or telegraphic notice to all of the parties producing, purchasing, taking, possessing or receiving any such Minerals, or having in their possession any such Minerals belonging to Kami or such proceeds for which they or others are accountable to the Holder by virtue of the provisions of this Section 6.1, to hold and dispose of such Minerals for the account of the Holder and to make payment of such proceeds direct to the Holder at its principal office, and the Holder shall thereafter receive, collect and retain, subject to the provisions of Section 6.4, as part of the Collateral, all such Minerals, all for the benefit and further security of the Obligations.
 - (b) All parties producing, purchasing, taking, possessing, processing or receiving any such Minerals, or having in their possession any such Minerals or such proceeds for which they or others are accountable to the Holder by virtue of the provisions of this Section 6.1, are authorized and directed by Kami, upon receipt of notice by the Holder given pursuant to Subsection 6.1(a) above, to treat and regard the Holder as the assignee and transferee of Kami and entitled in its place and stead to receive such Minerals and proceeds; and such parties and each of them shall be fully protected in so treating and regarding the Holder and shall be under no obligation to see to the application by the Holder of any such proceeds received by it. Until such notice is received by such parties, payment of all proceeds attributable to such Minerals shall be payable directly to Kami. Without in any way limiting the effectiveness of the authorization and direction in the next preceding sentence, if Kami shall receive any such proceeds which under this

Section 6.1 are receivable by the Holder, Kami will hold the same in trust and will remit such proceeds, or cause such proceeds to be remitted, immediately, to the Holder.

- (c) Without limiting the foregoing provisions of this Article 6, Kami stipulates that this Article 6 is intended to grant to the Holder a security interest in Kami's interest in the Minerals to be extracted from or attributable to the Collateral, and in and to the proceeds resulting from the sale thereof at the point of extraction.

6.2 Kami covenants, agrees and specifically undertakes hereby to cause, following the occurrence and during the continuance of any Event of Default and after the Holder shall have so requested, all pipeline companies or other purchasers of the Minerals to pay promptly to the Holder at its principal office, Kami's interest in the proceeds derived from the sale thereof, in accordance with the terms of this assignment, and forthwith to execute, acknowledge and deliver to purchasers such further and proper division orders, transfer orders, certificates and other documents as may be necessary or proper to effect the intent of these presents; and the Holder shall not be required at any time, as a condition to its right to obtain the proceeds of the Minerals, to warrant its title thereto or to make any guaranty whatsoever. In addition, and without limitation, Kami covenants, agrees and specifically undertakes hereby, to provide to the Holder the name and address of every purchaser of the Minerals produced from or allocated to the Collateral when determined, together with a copy of the applicable purchase and sales contracts. All expenses reasonably incurred by the Holder in the collection of such proceeds shall be repaid promptly by Kami.

6.3 Without limitation upon any of the foregoing, after the occurrence and during the continuance of an Event of Default, Kami hereby designates and appoints Holder as Kami's true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such periods or purposes as Holder may from time to time prescribe), with full power and authority, for and on behalf of and in the name of Kami, to execute, acknowledge and deliver all such division orders, transfer orders, certificates and other documents of every nature, with such provisions as may from time to time, in the opinion of Holder, be necessary or proper to effect the intent and purpose of the assignment contained in this Article 6; and to demand, collect, receive and sue for, in Holder's own name or in the name of Kami, all cash, other distributions or proceeds due or which may become due to Kami by virtue of the Mineral Titles, Lands or any part thereof or interest therein, with the absolute right in Holder to rehypothecate, pledge, compromise, settle or discharge the same and to do all acts and things necessary or convenient for any such purpose, including, without limitation, the right to give good and sufficient receipts and releases; to endorse the name of Kami upon any and all checks, drafts, money orders and other instruments for the payment of monies which are payable to Kami and constitute collections on the Mineral Titles and Lands; and to perform such other and further acts and deeds in the name of Kami which Holder may deem necessary and appropriate; and Kami shall be bound thereby as fully and effectively as if Kami had personally executed, acknowledged and delivered any of the foregoing certificates or documents; as if Kami

had personally demanded, collected, received and/or sued for any and all cash, other distributions or proceeds; as if Kami had personally done any and all acts and things necessary or convenient for any such purpose; as if Kami had personally endorsed Kami's own name upon any and all checks, drafts, money orders and other instruments; and as if Kami personally performed such other and further acts and deeds in Kami's own name which Holder deemed necessary and appropriate; provided, however, notwithstanding anything contained herein to the contrary, the assignment of production contained in Section 3.1(a), and the Holder's rights thereunder, shall not be effective unless and until the Holder has provided the notice referred to in Section 6.1(a). The powers and authorities herein conferred on Holder may be exercised by Holder through any Person who, at the time of exercise, is an officer of Holder. The power of attorney conferred by this Section 6.3 is granted for valuable consideration and coupled with an interest and is irrevocable so long as the Obligations, or any part thereof, shall remain unpaid. All Persons and entities dealing with Holder, or any substitute, shall be fully protected in treating the powers and authorities conferred by this Section 6.3 as continuing in full force and effect until advised by Holder that the obligations of Kami under the Loan Documents are fully and finally paid.

- 6.4 All proceeds received by the Holder in collected funds pursuant to this Article 6 shall be placed in a collateral collection account at the office of the Holder, and the Holder is hereby authorized to apply all such proceeds as follows: first, to the payment of all necessary costs and expenses incident to the receipt and collection of such proceeds; second, to the payment of the Principal Sum in such order as the Holder shall elect; and third, the balance, if any, remaining after the full and final payment of the Principal Sum, to Kami or to any other Person or entity entitled to share in the same.
- 6.5 The Holder shall never be under any obligation to enforce the collection of the funds assigned to it hereunder, nor shall it ever be liable for failure to exercise diligence in the collection of such funds, but shall only be accountable for the sums that it shall actually receive.

ARTICLE 7 ATTORNEY IN FACT

- 7.1 After the occurrence and during the continuance of an Event of Default, Kami hereby irrevocably constitutes and appoints the Holder and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Kami and in the name of Kami or in its own name, from time to time in the Holder's discretion, for the purpose of carrying out the terms of this Debenture, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Debenture and which Kami being required to take or execute has failed to take or execute. Kami hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until the Obligations has been unconditionally and irrevocably performed in full. Kami also authorizes the Holder, at any time and from time to time, to

execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral in connection with the sale provided for in Section 5.1(b).

**ARTICLE 8
DEEMED SATISFACTION**

- 8.1 Notwithstanding the stated interest rate per annum in respect of the Obligations at the rate at which the Obligations bear interest for such period will be deemed to be payment in satisfaction of the interest payment for the same period under this Debenture.

**ARTICLE 9
NO LIABILITY**

- 9.1 The Holder shall not be liable for any error in judgment or act done by it in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for its gross negligence or willful misconduct. The Holder shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by the Holder hereunder, believed by the Holder in good faith to be genuine. The Holder shall be under no liability for interest on any monies received by it hereunder. Kami hereby ratifies and confirms any and all acts which the Holder or its successors or substitutes shall do lawfully by virtue hereof.

**ARTICLE 10
EXPENSES**

- 10.1 Kami agrees to pay the Holder forthwith on demand all reasonable costs, charges and expenses, including, without limitation, all reasonable legal fees (on a solicitor and his own client full indemnity basis), incurred by the Holder in connection with the administration, recovery or enforcement of payment of any amounts payable hereunder whether by realization or otherwise. All such sums will be secured hereby and will be added to the money hereby secured and bear interest at the rate then-applicable set forth in the Credit Agreement.

**ARTICLE 11
RECOURSE**

- 11.1 The Holder will not be obliged to exhaust its recourse against Kami, any other party or surety or any other security it may hold with respect to the obligations of Kami, or Alderon, as applicable, pursuant to this Debenture and the Loan Documents before realizing upon or otherwise dealing with this Debenture in such manner in the Holder's discretion. The Holder may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with Kami and with other parties, sureties or securities in its discretion, without prejudice to the liability of Kami in respect of this Debenture.

**ARTICLE 12
REALIZATION**

- 12.1 The Holder will not, nor will it be entitled to, demand payment pursuant to this Debenture or enforce the Security Interest constituted hereby unless and until entitled to do so under the Credit Agreement, but thereafter the Holder may at any time exercise and enforce all of the rights and remedies of a holder of the Debenture in accordance with and subject to the Credit Agreement, as if the Holder was the absolute owner thereof and any such right or remedy may be exercised separately or in combination with, and will be in addition to and not in substitution for, any other right or remedy of the Holder however created, provided that the Holder will not be bound to exercise any such right or remedy.

**ARTICLE 13
REPRESENTATION**

- 13.1 Kami represents and warrants to the Holder that the address of Kami's chief executive office is located at Suite 1240 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

**ARTICLE 14
COVENANTS**

- 14.1 Kami covenants and agrees with the Holder that:
- (a) At any time and from time to time, upon the written request of the Holder, and at the sole expense of Kami, Kami will promptly and duly execute and deliver such further instruments and documents and take such further action as the Holder may reasonably request for the purpose of obtaining or preserving the full benefits of this Debenture and of the rights and powers herein granted, including the filing or execution of any financing or financing change statements under any applicable Law with respect to the Security Interest. Kami also hereby authorizes the Holder to file any such financing or financing change statement without the signature of Kami to the extent permitted by applicable Law. Without limiting the generality of the foregoing, Kami acknowledges that this Debenture has been prepared based on applicable Law and Kami agrees that the Holder will have the right to require that this Debenture be amended or supplemented: (i) to reflect any changes in applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if Kami GP amalgamates with any other Person, or either Kami GP or Kami LP enters into any reorganization or reconstitution, in each case in order to confer upon the Holder the mortgages intended to be created hereby.
 - (b) Kami will furnish to the Holder from time to time such statements and schedules further identifying and describing the Collateral and such other reports in

connection with the Collateral as the Holder may reasonably request, all to the extent necessary to permit the Collateral to be sufficiently described.

- (c) Kami will promptly notify the Holder in writing if the validity or priority of this Debenture or any of the rights, titles, liens or security interests created or evidenced hereby with respect to the Collateral, or any part thereof, shall be questioned, attacked or endangered, directly or indirectly, and do or cause to be done all things necessary and/or proper to protect, warrant and defend title to the Collateral unto the Holder at Kami's sole expense against all Persons whomsoever claiming an interest therein or a lien or security interest thereon, but the Holder shall have the right, at any time, to intervene in any suit affecting such title and to employ independent counsel in connection with any such suit to which it may be a party by intervention or otherwise; and upon demand Kami agrees to pay the Holder all reasonable expenses paid or incurred by it in respect of any such suit affecting title to any such property or affecting the rights, titles, liens or security interests hereunder, including, without limitation, reasonable fees to the Holder's solicitors, and Kami will indemnify and hold the Holder harmless from and against any and all costs and expenses, including, without limitation, any and all costs, loss, damage or liability which the Holder may suffer or incur by reason of the failure of the title to all or any part of the Collateral, or by reason of the failure or inability of Kami, for any reason, to convey the rights, titles, liens and security interests which this Debenture purports to mortgage, create or assign, and all amounts at any time so payable by Kami shall be secured by the lien and security interest hereof and by the assignment of production herein contained.
- (d) Kami will promptly correct and cure any defect, error or omission which may be discovered in the contents of this Debenture or in any of the Loan Documents to which it is a party or in the execution or acknowledgment hereof or thereof and in connection therewith, promptly execute, acknowledge and deliver to the Holder any and all such corrective or curative instruments as the Holder may in its sole and absolute discretion deem necessary or appropriate, and pay all costs and expenses, including, without limitation, the reasonable solicitor's fees of the Holder, in connection with any of the foregoing.

ARTICLE 15 PRESENTMENT

- 15.1** Kami hereby expressly waives demand for payment, presentment, protest and notice of dishonour of this Debenture. Any failure or omission by the Holder to present this Debenture for payment, protest or provide notice of dishonour will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this Debenture.

**ARTICLE 16
ENUREMENT AND ASSIGNMENT**

- 16.1 The provisions of this Debenture will be binding upon Kami and its successors and will enure to the benefit of the Holder and its successors and assigns. Subject to the terms of the Credit Agreement, Kami will not assign this Debenture without the Holder's prior written consent.

**ARTICLE 17
GOVERNING LAW**

- 17.1 This Debenture will be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein provided that with respect to the Leases, the Interests, the Lands and Mineral Titles, the laws of the jurisdiction in which such are located, without giving regard to the conflict of law principles applicable in such jurisdiction. Without prejudice to the ability of the Holder to enforce this Debenture in any other proper jurisdiction, Kami hereby irrevocably submits and attorns to the jurisdiction of the courts of the jurisdiction as set out in this Section 17.1, or any appellate courts thereof, for the purposes of this Debenture.

**ARTICLE 18
SEVERABILITY**

- 18.1 If any portion of this Debenture or the application thereof to any circumstance will be held invalid or unenforceable by a court of competent jurisdiction from which no further appeal has or is taken, to an extent that does not affect in a fundamental way the operation of this Debenture, the remainder of the provision in question, or its application to any circumstance other than that to which it has been held invalid or unenforceable, and the remainder of this Debenture will not be affected thereby and will be valid and enforceable to the fullest extent permitted by applicable Law.

**ARTICLE 19
CONSENT AND WAIVER**

- 19.1 No consent or waiver by the Holder will be effective unless made in writing and signed by an authorized officer of the Holder.

**ARTICLE 20
NOTICE**

- 20.1 Any notice, demand, consent, approval or other communication from Kami to the Holder, or vice versa, will be in writing and will be sufficiently given or made if given in the manner prescribed in the Credit Agreement.

**ARTICLE 21
INCONSISTENCY**

- 21.1 To the extent that there is any inconsistency or ambiguity between the provisions of this Debenture and the Credit Agreement, the provisions of the Credit Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

**ARTICLE 22
RECEIPT OF COPY**

- 22.1 Kami acknowledges receipt of an executed copy of this Debenture. Kami waives the right to receive any amount that it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty, or otherwise) by reason of the failure of the Holder to deliver to Kami a copy of any financing statement or any statement issued by any registry that confirms registration of a financing statement relating to this Debenture.

**ARTICLE 23
TERMINATION AND DISCHARGE**

- 23.1 Upon payment in full of all obligations under the Credit Agreement, or on the conversion of all such obligations into Converted Shares in accordance with the terms of the Credit Agreement, this Debenture shall be terminated and discharged, and the Security Interest created hereunder shall be fully and finally released, and the Holder shall, on the written request and at the expense of Kami, execute and deliver any releases and discharges that Kami may reasonably require to give effect to such termination, discharge and release.

**ARTICLE 24
INTERPRETATION**

- 24.1 In this Debenture, unless the context otherwise requires:
- (a) “**Affiliate**” has the meaning given thereto in the *Securities Act* (British Columbia);
 - (b) “**Collateral**” has the meaning attributed to it in Section 3.1;
 - (c) “**Consent**” means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;
 - (d) “**Contracts**” means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Kami Project (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which either Kami LP or Kami GP

(or both) is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into, including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and “**Contract**” means any one of them;

- (e) “**Interests**” means all rights, titles, estates and interests of Kami pursuant to the Leases, including, (i) to the Lands and Mineral Titles, and (ii) for greater certainty, all Minerals within, upon or under the Mineral Titles and all Mineral Rights thereto;
- (f) “**Kami Project**” means the mining venture of Kami known as the “Kami Mine” relating to the exploration, exploitation, development and acquisition of iron ore properties and interests upon the Lands and Mineral Titles and comprises, without limitation, (i) the Contracts, (ii) the Leases and (iii) the Collateral;
- (g) “**Lands**” means:
 - (i) the lands leased by Kami pursuant to the Surface Lease at Mills Lake, Newfoundland and Labrador as more particularly described therein; and
 - (ii) any other lands owned, leased or occupied by Kami or held by any of its Affiliates for the conduct of mining operations at the Kami Project, including, without limitation, pursuant to any present or future surface or access rights or licences, leases, grants and other rights issued by or held from any relevant Official Body.
- (h) “**Law**” includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;
- (i) “**Leases**” means, collectively, the Mining Lease and the Surface Lease;
- (j) “**Minerals**” means all inorganic substances (found in nature) whether in solid, liquid, gaseous or any intermediate state;
- (k) “**Mineral Rights**” means:
 - (i) the right in favour of Kami to extract, develop, remove and deal with all Minerals set forth in the Mining Lease or any other Mineral Titles;
 - (ii) the Mineral Titles;
 - (iii) all registered and non-registered concessions and other rights held by or contracted to Kami or its Affiliates to remove or divert from its natural source and to use water granted by any Persons to Kami or its Affiliates in respect of or in connection with the Kami Project, and all rights and

- approvals related thereto, such as rights and approvals to access water and to locate equipment and other hydrological works necessary to access and transport water in respect of or in connection with the Kami Project;
- (iv) any present or future renewal, extension, modification, substitution, amalgamation or variation of any of the above (whether extending over the same or a greater or lesser area);
 - (v) any present or future application for or interest in any of the above, which confers or which, when granted, will confer the same or similar rights; and
 - (vi) any other present or future interest held by or on behalf of Kami or its Affiliates in Minerals, ores and mines, whether on or under land (including the Lands), necessary for Kami to develop, expand, or operate the Kami Project;
- (l) **“Mining Lease”** means mining lease no. 234(15980M) dated February 17, 2014 between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador, as lessor, and Kami GP, as general partner of Kami LP, as lessee, registered at Volume 4 of the Registry maintained by the Mineral Claims Recorder for Newfoundland and Labrador at Folio 11, with respect to the development, removal and extraction of all Minerals from the area thereof, as such lease may be amended, restated, replaced or extended from time to time;
- (m) **“Mineral Titles”** means:
- (i) the Mining Lease;
 - (ii) Mineral Licence 015980M dated 2004/12/29 and extended on 2014/12/29 covering 191.0 claims at or near Mills Lake, Labrador West issued by the Minister of Natural Resources to Kami General Partner Limited and shall mean and include any and all substitute or successor titles to Mineral Licence 015980M, including without limitation any mining lease issued in respect of the lands and minerals described in Mineral Licence 015980M;
 - (iii) Mineral Licence 017926M dated 2010/07/30 and extended on 2015/08/30 covering 92.0 claims at or near Mills Lake, Labrador West issued by the Minister of Natural Resources to Kami General Partner Limited and shall mean and include any and all substitute or successor titles to Mineral Licence 017926M, including without limitation any mining lease issued in respect of the lands and minerals described in Mineral Licence 017926M;
 - (iv) any present or future mining concession(s) as may be issued by any relevant Official Body and held by Kami or held by any of its Affiliates if held for the conduct of mining operations at the Kami Project, including (A) any future mining concession or mining lease issued with respect to

the surface area or land that is the subject of any exploration licence, and (B) in each case, any application for a mining concession or lease, and any extension, renewal, expansion, amendment, modification, restatement, amendment and restatement and replacement of any of the same;

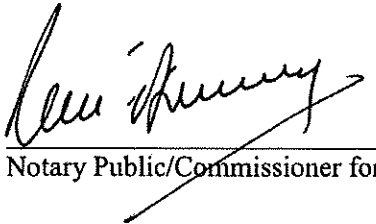
- (v) all other mineral licences, tenures, tenements and other material interests as may be issued by any relevant Official Body and held by Kami, including all exploration permits, exploitation concessions and any gaps or fractions between such permits or concessions relating to the Kami Project, whether constituted or in the process of being constituted, and held by or for the benefit of Kami or its Affiliates, and any other permits or concessions or rights thereto (including any future right) located within the areas covered by the aforesaid permits or concessions and owned directly or indirectly by Kami or its Affiliates or otherwise for the benefit thereof;
- (n) “**Official Body**” means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;
- (o) “**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;
- (p) “**Security Interest**” has the meaning attributed to it in Section 3.1; and
- (q) “**Surface Lease**” means surface lease no. 142 dated May 27, 2014 between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador, as lessor, and Kami GP, as general partner of Kami LP, as lessee, registered at Volume 2 of the Registry maintained by the Mineral Claims Recorder for Newfoundland and Labrador at Folio 4, as such lease may be amended, restated, replaced or extended from time to time;
- (r) “**Tangibles**” means the entire interest of Kami in and to all tangible depreciable property, real property, and assets that are located in, on, or in the vicinity of the Collateral, and used, or intended for use, in connection with production, processing, storage, treatment, measuring, removal operations, or transportation operations pertaining to the Mineral Rights, including, without limitation, the mine equipment, if any, relating to the Collateral;

* * * * *


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THIS DEBENTURE executed at ST JOHN'S, NL effective the date first written above.

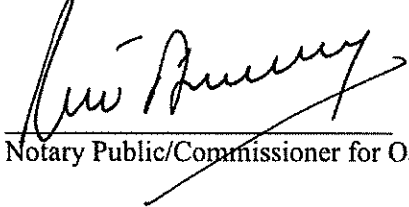
Witnessed by:


Notary Public/Commissioner for Oaths


KAMI GENERAL PARTNER
LIMITED, in its capacity as general
partner of THE KAMI MINE LIMITED
PARTNERSHIP

By: 
Name: GARY NORRIS
Title: EXECUTIVE VICE PRESIDENT

Witnessed by:


Notary Public/Commissioner for Oaths

KAMI GENERAL PARTNER
LIMITED, in its personal capacity

By: 
Name: GARY NORRIS
Title: EXECUTIVE VICE PRESIDENT

SCHEDULE "A"

1. All real and immovable property and rights of Kami in and to all that piece and parcel of land described in Schedule "A1";
2. All real and immovable property and rights of Kami and to all that piece and parcel of land described in Schedule "A2";
3. All real and immovable property and rights of Kami in and to all that piece and parcel of land described in Schedule "A3"; and
4. All real and immovable property and rights of Kami in and to all that piece and parcel of land described in Schedule "A4".

SCHEDULE "A1"

All those lands described in Map Staked Licence No. 015980M, situate and being near Mills Lake, Labrador West, in the Province of Newfoundland and Labrador, as follows:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 860 000 N, 636 000 E; of Zone 19; thence South 4,000 metres, thence East 500 metres, thence South 500 metres, thence East 1,000 metres, thence South 2,000 metres, thence West 2,500 metres, thence South 2,500 metres, thence East 500 metres, thence South 1,000 metres, thence West 500 metres, thence South 1,000 metres, thence West 1,000 metres, thence South 1,500 metres, thence West 1,500 metres, thence South 500 metres, thence West 500 metres, thence North 1,000 metres, thence West 500 metres, thence North 1,000 metres, thence West 1,000 metres, thence North 5,500 metres, thence East 500 metres, thence North 1,000 metres, thence East 500 metres, thence North 1,500 metres, thence East 1,500 metres, thence South 500 metres, thence East 1,000 metres, thence North 1,000 metres, thence East 500 metres, thence North 500 metres, thence East 500 metres, thence North 1,000 metres, thence East 500 metres, thence North 1,000 metres, thence East 500 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 19. NAD27. Reserving nevertheless out of the above described area all of the land being part of: Province of Quebec.

SCHEDULE "A2"

All those lands described in Map Staked Licence No. 017926M, situate and being near Mills Lake, Labrador West, in the Province of Newfoundland and Labrador, as follows:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 860 500 N, 639 000 E; of Zone 19; thence South 500 metres, thence East 500 metres, thence South 500 metres, thence East 1,000 metres, thence South 500 metres, thence East 500 metres, thence South 6,000 metres, thence West 2,500 metres, thence North 500 metres, thence West 500 metres, thence North 2,000 metres, thence West 1,500 metres, thence North 500 metres, thence West 500 metres, thence North 500 metres, thence East 1,500 metres, thence North 2,000 metres, thence East 500 metres, thence North 2,000 metres, thence East 1,000 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 19. NAD27. Reserving nevertheless out of the above described area all of the land being part of: Newfoundland & Labrador Corp. Ltd. Mining Lease Lot No. 2 South.

SCHEDULE "A3"

All those lands described in Surface Lease No. 142 as attached hereto.

All that piece or parcel of land situate and being near Labrador City, in the electoral district of Labrador West, in the Province of Newfoundland and Labrador being bound and abutted as follows, that is to say:

Beginning at a point the said point being a Capped Iron Bar having co-ordinates of North 5858226.962 metres and East 631037.673 metres of the 6 degree U.T.M. Co-ordinate System;

Thence along Parcel "B" of License No. 008928M, Labrador Iron Ore Royalty Corporation and License No. 020048M, Shabogamo Mining & Exploration Ltd, North 90 degrees 00 minutes 00 seconds East 775.252 metres;

Thence through License No. 018553M, Shabogamo Mining & Exploration Ltd, and License No. 009835M, Labrador Iron Ore Royalty Corporation, South 50 degrees 02 minutes 50 seconds East 1188.590 metres;

Thence through the said License No. 009835M, Labrador Iron Ore Royalty Corporation, and License No. 015980M, Kami General Partner Limited, North 83 degrees 08 minutes 36 seconds East 3284.283 metres;

Thence South 00 degrees 24 minutes 18 seconds West 1124.333 metres;

Thence North 89 degrees 58 minutes 01 seconds East 290.612 metres;

Thence along the sinuosity of a shoreline, to the waters of Long Lake, along License No.017926M, 015980M Kami General Partner Ltd and License No.017882M Shabogamo Mining & Exploration, a distance of 6539.56 metres, straight line bearing and distance North 89 degrees 58 minutes 01 seconds East 570.801 metres;

Thence along the sinuosity of a shoreline, to the waters of Long Lake, a distance of 134.66 metres, straight line bearing and distance North 08 degrees 52 minutes 58 seconds East 133.363 metres;

Thence along occupied Crown Land North 90 degrees 00 minutes 00 seconds East 63.283 metres;

Thence along the sinuosity of a shoreline, to the waters of Long Lake, a distance of 1751.80 metres, straight line bearing and distance North 50 degrees 32 minutes 28 seconds East 699.423;

Thence along Crown Land North 90 degrees 00 minutes 00 seconds East 77.787 metres;

Thence North 00 degrees 08 minutes 30 seconds East 325.544 metres;

Thence along License No. 017926M, Kami General Partner Limited, North 89 degrees 35 minutes 04 seconds East 432.985 metres;

Thence North 59 degrees 20 minutes 11 seconds East 1736.957 metres;

Thence North 25 degrees 06 minutes 04 seconds West 1067.081 metres;

Thence North 09 degrees 14 minutes 51 seconds East 402.497 metres;

Thence South 51 degrees 03 minutes 42 seconds East 255.119 metres;

Thence South 05 degrees 40 minutes 15 seconds East 311.079 metres;

Thence South 25 degrees 58 minutes 48 seconds East 547.011 metres;

Thence North 76 degrees 10 minutes 53 seconds East 555.819 metres;

Thence South 77 degrees 56 minutes 31 seconds East 474.054 metres;

Thence South 31 degrees 30 minutes 55 seconds East 591.228 metres;

Thence South 12 degrees 17 minutes 40 seconds West 551.788 metres;

Thence along occupied Crown Land South 06 degrees 24 minutes 49 seconds East 67.814 metres;

Thence South 83 degrees 35 minutes 11 seconds West 2.487 metres;

Thence South 04 degrees 17 minutes 35 seconds East 44.991 metres;

Thence North 83 degrees 35 minutes 11 seconds East 4.151 metres;

Thence through the aforesaid License No. 017926M South 06 degrees 02 minutes 36 seconds East 2316.108 metres;

Thence though License No. 017926M, Kami General Partner Limited, and License No. 017927M, Shabogamo Mining & Exploration, South 07 degrees 28 minutes 16 seconds East 810.707 metres;

Thence South 19 degrees 01 minutes 04 seconds West 749.893 metres;

Thence South 41 degrees 38 minutes 44 seconds West 633.070 metres;

Thence through License No. 017927M, Shabogamo Mining & Exploration, South 70 degrees 48 minutes 17 seconds West 271.251 metres;

Thence South 29 degrees 09 minutes 45 seconds West 539.602 metres;

Thence South 83 degrees 48 minutes 22 seconds West 205.990 metres;

Thence North 60 degrees 32 minutes 51 seconds West 732.891 metres;

Thence through License No. 017927M, and License No. 017882M, Shabogamo Mining & Exploration, North 89 degrees 51 minutes 42 seconds West 657.227 metres;

Thence though License No. 017882M, Shabogamo Mining & Exploration, North 31 degrees 52 minutes 56 seconds West 498.343 metres;

Thence through License No. 017882M, Shabogamo Mining & Exploration, North 31 degrees 52 minutes 56 seconds West 498.343 metres;

Thence along 017926M and through 017882M, Shabogamo Mining & Exploration, North 89 degrees 22 minutes 19 seconds West 650.603 metres;

Thence through 017882M, Shabogamo Mining & Exploration, South 12 degrees 49 minutes 10 seconds East 1545.608 metres;

Thence South 00 degrees 04 minutes 29 seconds East 1048.793 metres;

Thence South 89 degrees 40 minutes 49 seconds West 2007.794 metres;

Thence along the sinuosity of a shoreline, to the waters of Mills Lake, through License No. 021024M, Shabogamo Mining & Exploration, License No. 017882M, Shabogamo Mining & Exploration, and License No. 015980M, Kami General Partner Limited, a distance of 8775.26 metres, straight line bearing and distance North 24 degrees 18 minutes 03 seconds West 3063.458 metres;

Thence through License No. 015980M, Kami General Partner Limited, North 82 degrees 21 minutes 02 seconds West 2724.733 metres;

Thence North 52 degrees 20 minutes 34 seconds West 992.393 metres;

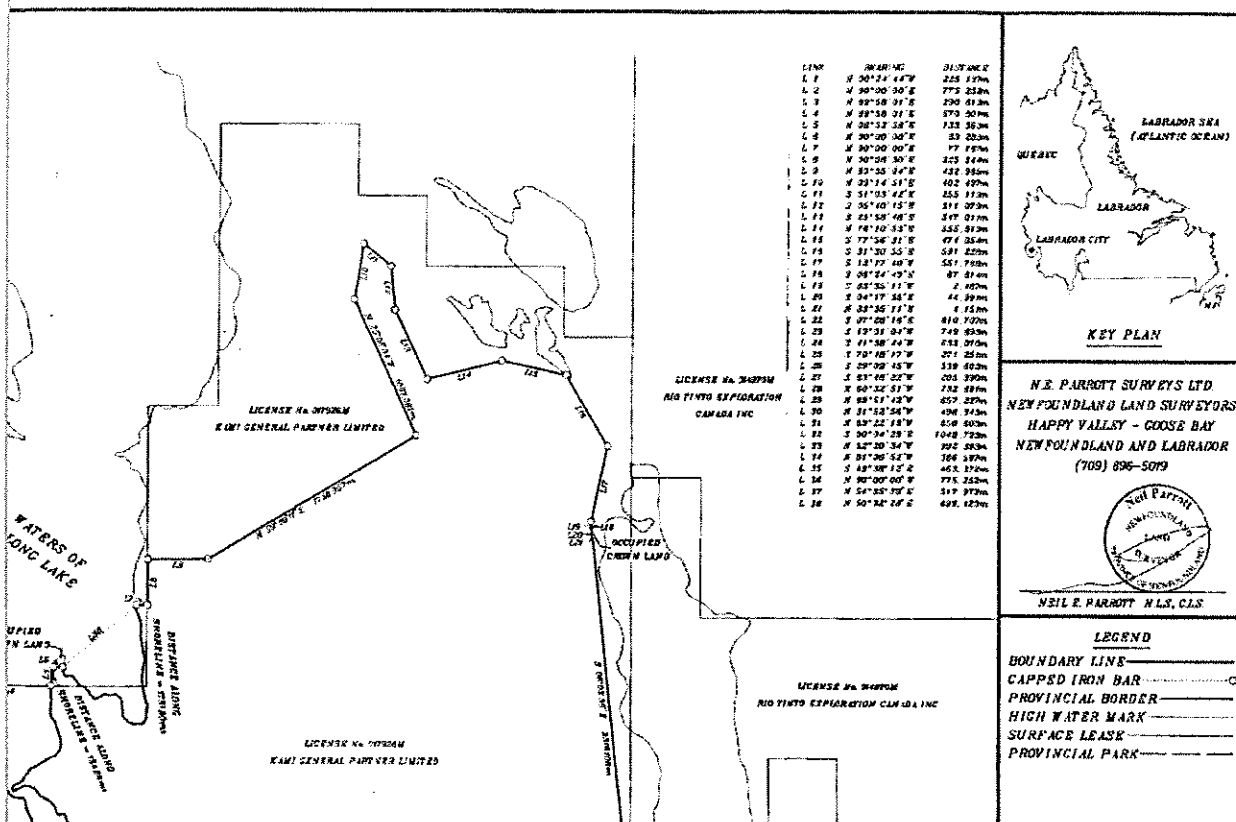
Thence North 01 degrees 06 minutes 52 seconds West 386.587 metres;

Thence along the sinuosity of the limit of land of License No. 018553M, 018787M, Shabogamo Mining & Exploration, and along the Newfoundland & Labrador and Quebec Provincial Border, a distance of 3026.80 metres, straight line bearing and distance North 01 degrees 03 minutes 56 seconds West 2698.076 metres;

Thence along License No. 018787M, Rio Tinto Exploration Canada Inc., North 00 degrees 24 minutes 44 seconds West 225.137 metres, more or less, to the point of beginning;

Containing an area of 4237.002 hectares, more or less, and being Surface Lease Parcel "A", on the diagram annexed hereto;

All bearings being referred to the central meridian of 69 degrees 00 minutes West longitude of the Six Degree Universal Transverse Mercator Projection, Zone 19, NAD 83.



NEIL E. PARROTT SURVEYS LTD
 NEW FOUNDLAND LAND SURVEYORS
 HAPPY VALLEY - GOOSE BAY
 NEW FOUNDLAND AND LABRADOR
 (709) 696-5019

NEIL E. PARROTT N.L.S., C.L.S.

LEGEND

BOUNDARY LINE —————

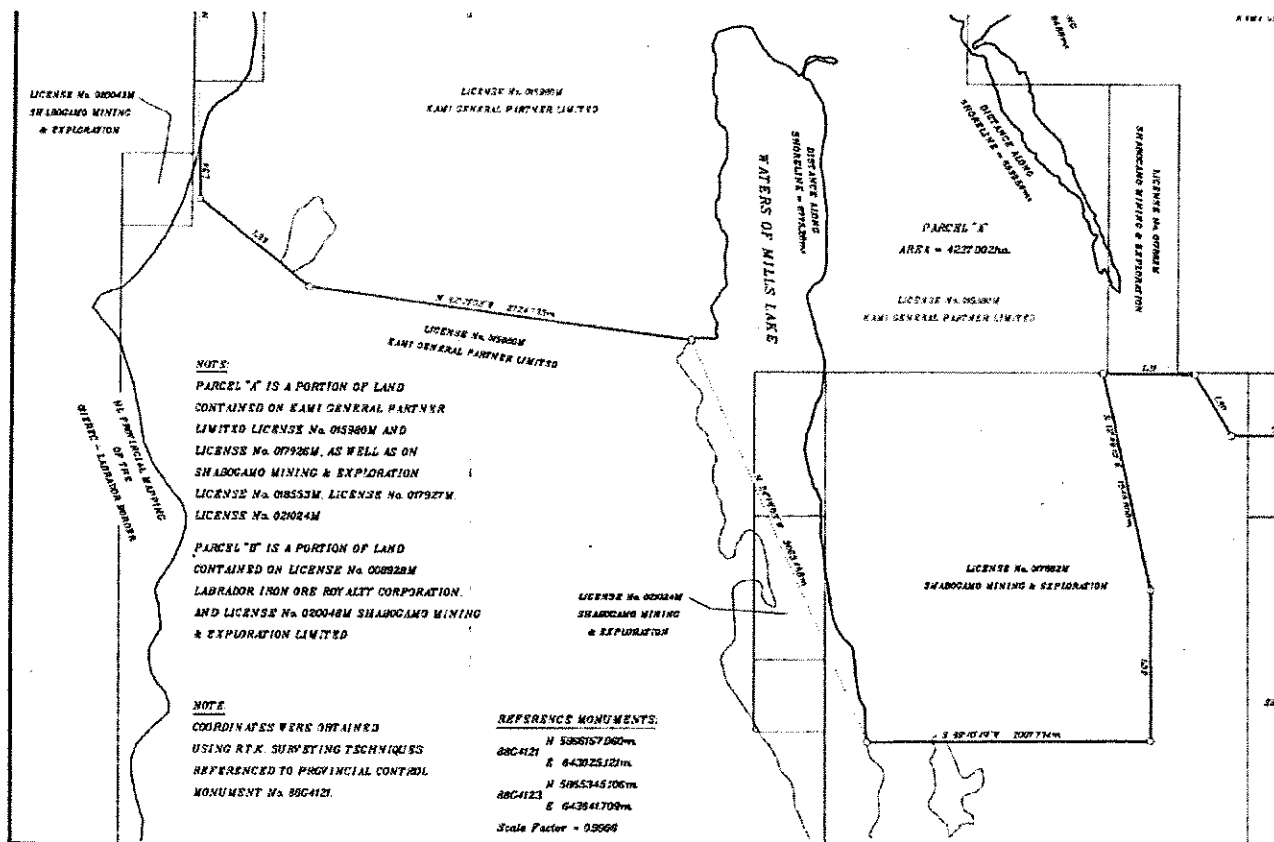
CAPPED IRON BAR ————○———

PROVINCIAL BORDER ————|———

HIGH WATER MARK ————|———

SURFACE LEASE ————|———

PROVINCIAL PARK ————|———



SCHEDULE "A4"

All those lands described in Mining Lease No. 234(15980M) as attached hereto.

All that piece or parcel of land situate and being near Labrador City, in the electoral district of Labrador West, in the Province of Newfoundland and Labrador being bound and abutted as follows, that is to say:

Beginning at a point the said point being a Capped Iron having co-ordinates of North 5856585.870 metres and East 633610.752 metres of the 6 degree U.T.M. Co-ordinate System;

Thence along License No. 015980M Kami General Partner Limited South 40 degrees 00 minutes 49 seconds East 995.297 metres;

Thence South 45 degrees 29 minutes 27 seconds West 1248.955 metres;

Thence South 64 degrees 38 minutes 39 seconds West 747.872 metres;

Thence North 76 degrees 23 minutes 40 seconds West 714.717 metres;

Thence North 87 degrees 37 minutes 27 seconds West 517.430 metres;

Thence North 23 degrees 58 minutes 24 seconds West 449.150 metres;

Thence along land of Kami General Partner Limited License No. 015980M and along land of Shabogamo Mining & Exploration License No. 018553M North 24 degrees 01 minutes 45 seconds East 1144.347 metres;

Thence along land of Kami General Partner Limited License No. 015980M North 53 degrees 36 minutes 33 seconds East 900.191 metres;

Thence South 62 degrees 19 minutes 07 seconds East 396.537 metres;

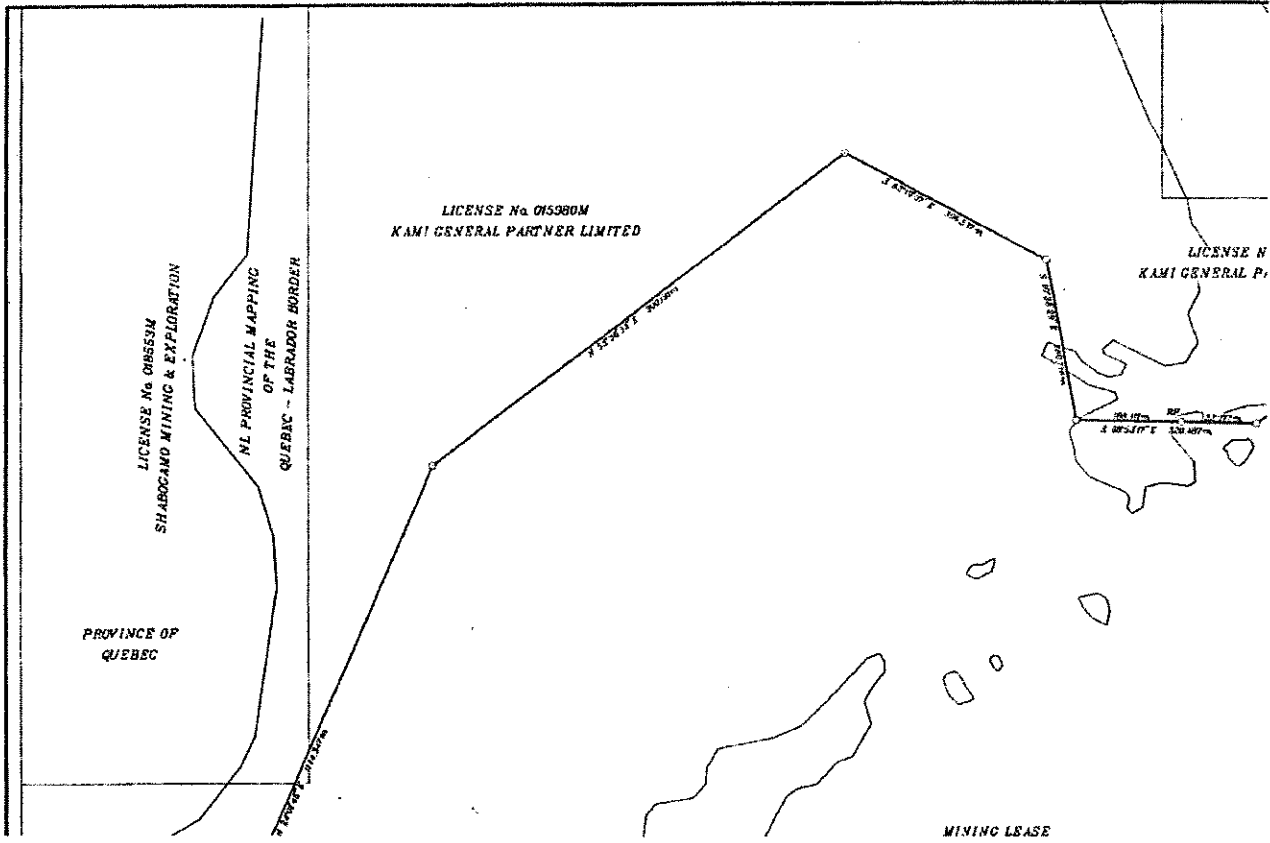
Thence South 10 degrees 38 minutes 29 seconds East 280.716 metres;

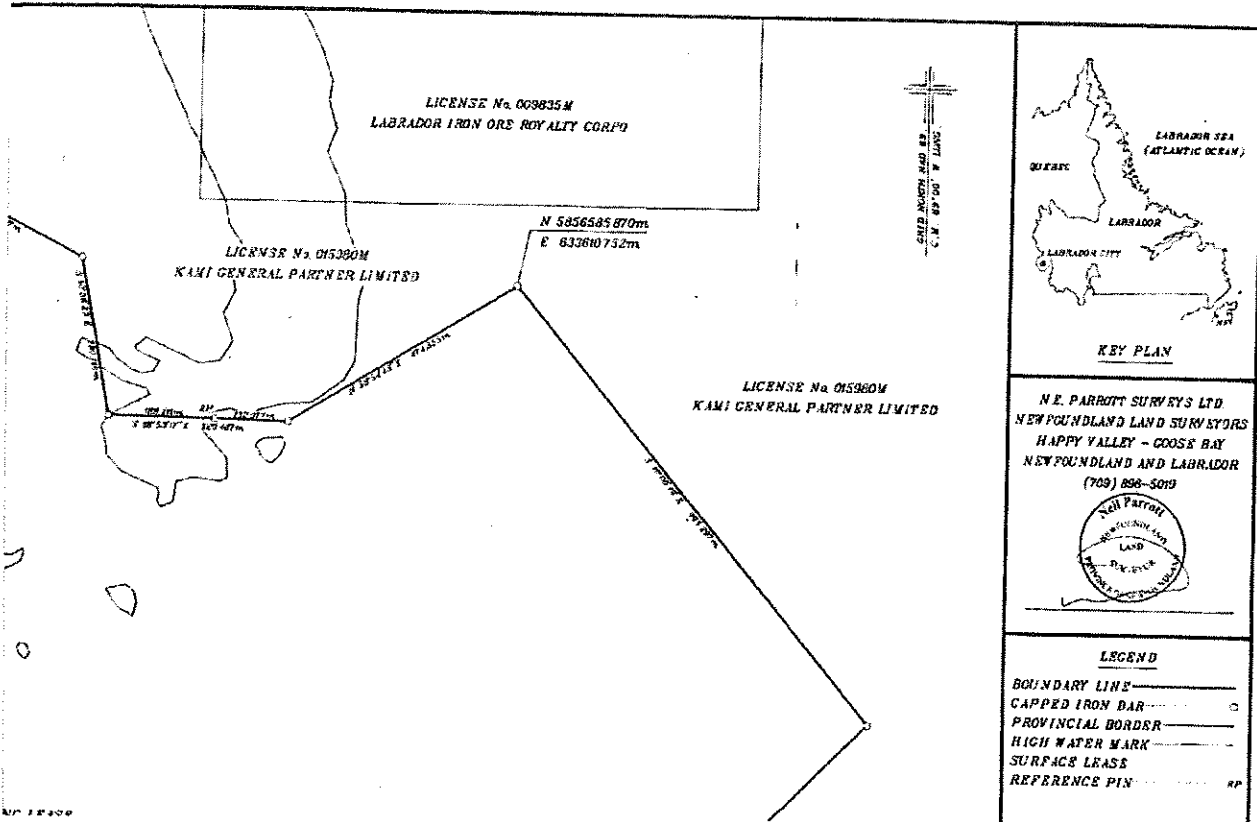
Thence South 88 degrees 53 minutes 17 seconds East 320.487 metres;

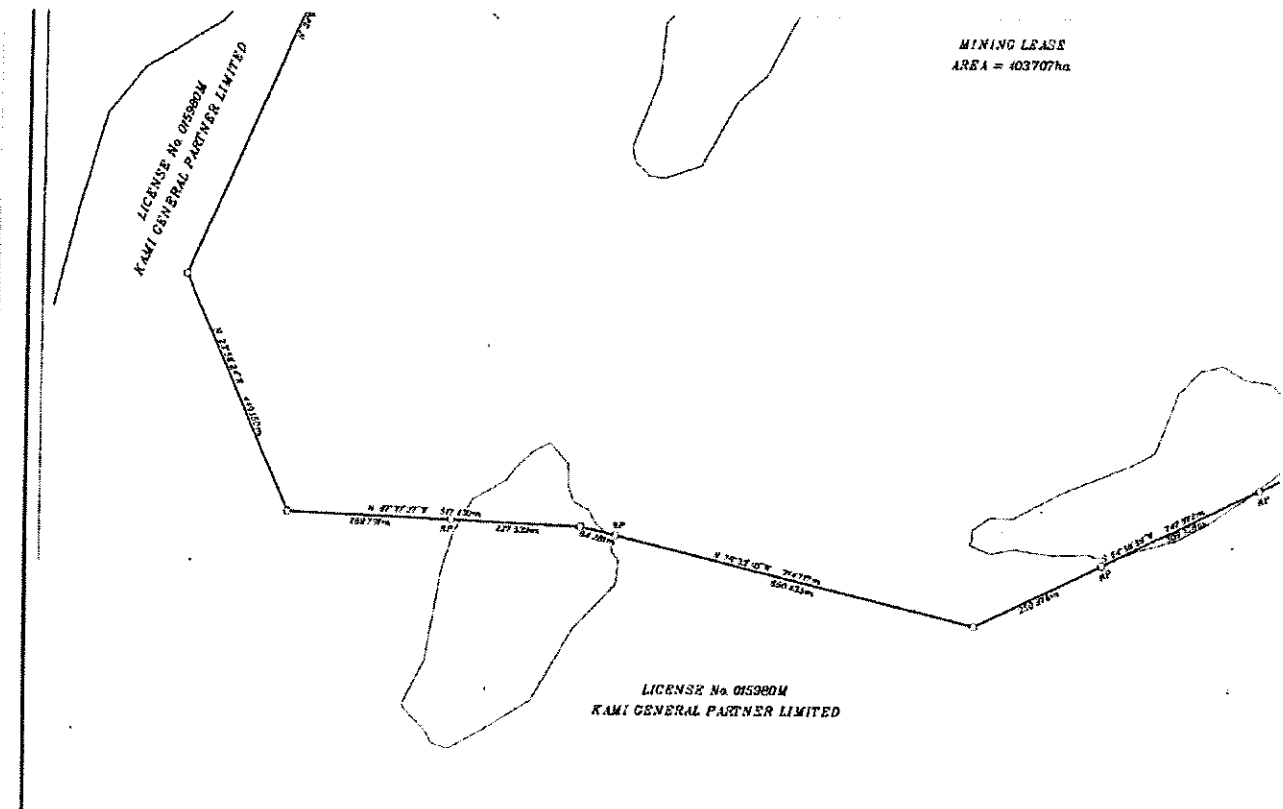
Thence North 58 degrees 54 minutes 43 seconds East 474.855 metres, more or less to the point of beginning;

Containing an area of 403.707 hectares, more or less, and being Mining Lease, on the diagram annexed hereto;

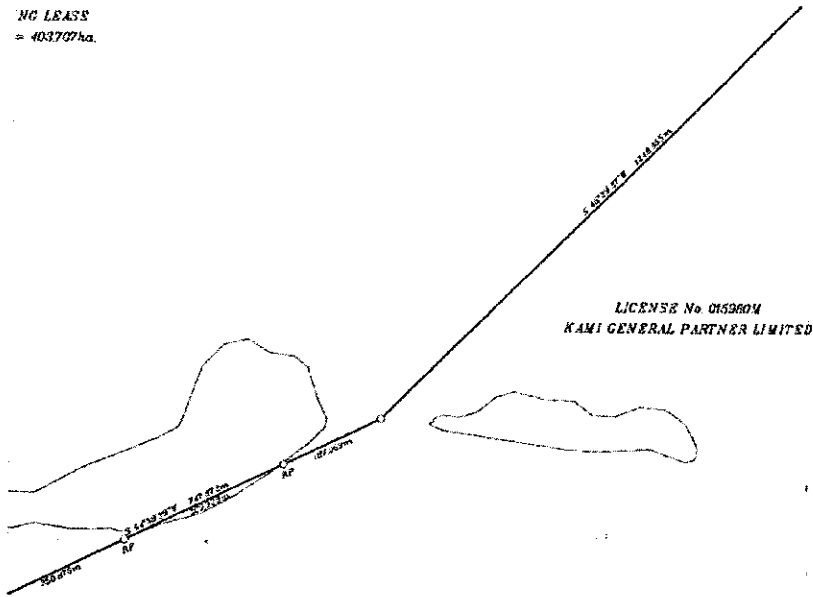
All bearings being referred to the central meridian of 69 degrees 00 minutes West longitude of the Six Degree Universal Transverse Mercator Projection, Zone 19, NAD 83.







MG LEASE
= 403707ha.



NOTE:
COORDINATES WERE OBTAINED
USING RTK SURVEYING TECHNIQUES
REFERENCED TO PROVINCIAL CONTROL
MONUMENT No B8C4121.

REFERENCE MONUMENTS:
B8C4121 N 5866157.060m
E 643025.121m
B8C4123 N 5865345.105m
E 6436417.000m
Scale Factor = 0.9998


SURVEY PREPARED FOR KAMI GENERAL PARTNER LIMITED
PLAN SHOWING LEGAL SURVEY OF THE MINING LEASE FOR THE KAMI MINE LABRADOR CITY NEWFOUNDLAND & LABRADOR.
N.E. PARROTT SURVEYS LTD NEWFOUNDLAND LAND SURVEYORS 10000 HURON AVENUE, ST. JOHN'S, NL A1B 1X9 SURVEYED BY J.H. ON 17.10.12
DATE: NOVEMBER 2013 INSPECTED BY N.E.L. PARROTT, C.L.S., N.L.S.
DATE: FEBRUARY 28, 2014 DRAWN BY JANEIL PARROTT, N.L.S., E.I.T.
DATE: FEBRUARY 28, 2014
SCALE: 1:5000
JOB No. 12-102 (014-71-204)
DRAWING No. 1/21

CANADA
PROVINCE OF NEWFOUNDLAND & LABRADOR

I, GARY NORRIS, of PARADISE, Province of NEWFOUNDLAND & LABRADOR, make oath and say that:

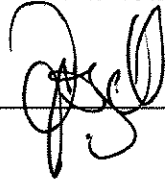
1. I am EXECUTIVE VICE PRESIDENT of Kami General Partner Limited (the "Company"), which is the general partner of The Kami Mine Limited Partnership and as such have a personal knowledge of the matters deposed to herein.
2. The word "spouse" as hereinafter used means a spouse as defined by subsection 2(1)(e) of the *Family Law Act*, R.S.N.L. 1990, c.F-2, as amended.
3. The property described in the within Debenture has never been occupied by me or any other director, officer or shareholder of the Company as a matrimonial home or by the spouse of any director, officer or shareholder of the Company and the ownership of a share or an interest in a share of the capital stock of the Company does not entitle the shareholder thereof or his or her spouse to the occupation of the property described in the within Debenture.
4. The property described in the within Debenture does not constitute a matrimonial home as defined by the *Family Law Act*, R.S.N.L. 1990, c.F-2, as amended, and that the said property is not held for the benefit of any officer, director or shareholder of the Company and no spouse of an officer, director or shareholder of the Company has a right to possession of the property by reason of section 6 or section 13 of the *Family Law Act*, R.S.N.L. 1990, c.F-2, as amended, or a Separation Agreement or Marriage Contract.
5. I know of no other person having a claim to or an interest in the property more particularly described in the said Debenture pursuant to the *Family Law Act*, R.S.N.L. 1990, c.F-2, as amended.
6. The Company is a body corporate duly incorporated under the laws of Canada and is, therefore, not a non-resident of Canada under the intent and meaning of the *Income Tax Act of Canada*, R.S.C. 1985, c-1 (5th Supp.) and amendments thereto.
7. To the best of my knowledge, there are no statutory liens charging or encumbering the Company's assets and, specifically, the property being conveyed herein.

SWORN TO at ST. JOHN'S, Province of
NEWFOUNDLAND & LABRADOR, this 4th day of
JULY, 2018, before me:


A Notary Public (affix seal)



This is Exhibit "8" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of July 10, 2018

BETWEEN:

ALDERON IRON ORE CORP., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter referred to as the “**Debtor**”)

AND:

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, a limited partnership organized and existing under the laws of the Province of Ontario

(hereinafter referred to as the “**Lender**”)

WHEREAS in consideration of the Lender extending credit to The Kami Mine Limited Partnership pursuant to the Credit Agreement (as hereinafter defined) the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Facility Indebtedness (as hereinafter defined), the security interest and assignment, mortgage and charge granted herein;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Charge**” means the security interests, assignments, mortgages and charges created hereunder.

“**Collateral**” has the meaning set out in Section 2.1.

“**Credit Agreement**” means the credit agreement dated as of the date hereof between The Kami Mine Limited Partnership, as borrower, the Guarantors, as guarantors, and the Lender, as lender, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“**Facility Indebtedness**” has the meaning set out in the Credit Agreement.

“Receiver” has the meaning set out in Section 5.1(b)(i).

“Guarantors” has the meaning set out in the Credit Agreement and includes the Debtor.

1.2 Definitions used in the Credit Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Credit Agreement.

1.3 Personal Property Security Act Definitions

The terms “accessions”, “accounts”, “chattel paper”, “consumer goods”, “documents of title”, “goods”, “instruments”, “intangibles”, “inventory”, “investment property”, “licence”, “money” and “proceeds” whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (British Columbia) (the “PPSA”), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

ARTICLE 2 GRANT OF SECURITY

2.1 Security

- (a) As general and continuing security for the payment and performance of the Facility Indebtedness, the Debtor hereby grants to the Lender a security interest in and mortgages and charges to the Lender, as and by way of a fixed and specific security interest and charge, all of the present and future undertakings, assets and personal property including, without limitation, all present and after-acquired

personal property of the Debtor (collectively, the “**Collateral**”), and as further general and continuing security for the payment and performance of the Facility Indebtedness, the Debtor hereby assigns the Collateral to the Lender and mortgages and charges the Collateral to the Lender. Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (i) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the “**Receivables**”);
- (ii) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the “**Inventory**”);
- (iii) Equipment: all goods and equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, and other tangible personal property of whatever nature or kind which are not Inventory;
- (iv) Chattel Paper: all chattel paper;
- (v) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (vi) Investment Property and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments (collectively, the “**Securities**”);
- (vii) Intangibles: all intangibles not described in Section 2.1(a)(i) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (viii) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (ix) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a)(i) to 2.1(a)(viii) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;

- (x) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a)(i) to (a)(ix) inclusive; and
 - (xi) Proceeds: all proceeds of the property described in Sections 2.1(a)(i) to 2.1(a)(x) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property.
- (b) Notwithstanding any other provision in this Agreement, in no event shall consumer goods form part of the Collateral.
 - (c) The Debtor grants, assigns, mortgages and charges, to and in favour of the Lender, as and by way of a floating charge, all of its undertakings, real and personal property and assets and interests therein, both present and future, of every nature and kind and wherever situate, including all mineral claims, licences or leases, except such of its undertakings, properties, assets and interests as are validly subject to the fixed and specific mortgages, charges and security interests granted pursuant to Section 2.1(a); the floating charge shall in no way hinder or prevent the Debtor, until the Charge shall have become enforceable, from disposing of or dealing with the subject matter of the floating charge in the ordinary course of business and for purposes of carrying on the same, provided that such an action is not in breach of any specific provision of or covenant in this Agreement or the Credit Agreement.
 - (d) The Charge shall not: (i) extend, include or apply to the last day of the term of any other lease now held or hereafter acquired by the Debtor, but should the Lender enforce the said Charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Charge, (ii) render the Lender liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound, or (iii) extend to, and the Collateral shall not include any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which the Debtor is a party or of which the Debtor has benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Lender and shall assign such Contractual Rights to the Lender forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Attachment of Security Interest

The Debtor agrees that the Lender has given value and that the liens created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon the Debtor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Lender. In each case, the parties do not intend to postpone the attachment of any lien created by this Agreement.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Lender:

- (a) the address of the Debtor's chief executive office (as such term is utilized in the PPSA) is that given at the end of this Agreement;
- (b) the address of the office where the Debtor keeps its records respecting Receivables is that given at the end of this Agreement;
- (c) all of the tangible property and assets of the Debtor, real or personal, are located in the Province of British Columbia and Newfoundland and Labrador; and
- (d) it has not granted "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Lender.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by the Lender or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 6.7 hereof.

3.3 Covenants

The Debtor covenants with the Lender that the Debtor shall:

- (a) not change its name without giving 15 days' prior written notice thereof to the Lender;
- (b) from time to time forthwith at the request of the Lender execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Lender to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Event of Default, the Debtor hereby irrevocably constitutes and appoints the Lender, or any receiver or receiver and manager appointed by the court or the Lender, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing

in the name of the Debtor whenever and wherever the Lender or any such Receiver may consider it to be necessary or expedient;

- (c) pay to the Lender forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Lender in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the obligations secured hereunder; and
- (d) not grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Lender.

ARTICLE 4

SECURITIES; ACCOUNT DEBTORS

4.1 Registration of Securities

If an Event of Default has occurred and is continuing, the Lender may require that the Debtor have any Securities registered in the name of the Lender or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities. The Lender shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Lender deliver to the Lender those Securities requested by the Lender duly endorsed for transfer to the Lender or its nominee to be held by the Lender subject to the terms of this Agreement.

4.2 Notification of Account Debtors

The Lender may, at any time, give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence and during the continuance of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Lender, and, after the occurrence and during the continuance of an Event of Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Lender shall be held by the Debtor in trust for the Lender and forthwith paid over to the Lender on request.

ARTICLE 5
REMEDIES

5.1 Remedies

- (a) The floating charge created by Section 2.1(c) shall become a fixed charge as soon as the earliest of the following takes place:
- (i) the Lender gives notice to that effect to the Debtor;
 - (ii) the Lender takes any step to accelerate or demand payment of the Facility Indebtedness, or gives notice of its intention or takes any steps to enforce its security; or
 - (iii) an Event of Default occurs under the Credit Agreement.
- (b) Upon the occurrence and during the continuance of any Event of Default any or all security granted hereby shall, at the option of the Lender, become immediately enforceable and, in addition to any right or remedy provided by law, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Lender may have:
- (i) the Lender may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral (which term when used in this Section 5.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Lender" when used in this Section 5.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Lender shall not be in any way responsible for any misconduct or negligence of any such Receiver;
 - (ii) the Lender may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Lender at such place or places as may be specified by the Lender;
 - (iii) the Lender may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
 - (iv) the Lender may carry on or concur in the carrying on of all or any part of the business of the Debtor;
 - (v) the Lender may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

- (vi) the Lender may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Lender may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Lender being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor;
 - (vii) the Lender may accept the Collateral in satisfaction or partial satisfaction of the Facility Indebtedness upon notice to the Debtor of its intention to do so in the manner required by law;
 - (viii) the Lender may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;
 - (ix) the Lender may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Lender requires to facilitate the realization of the Collateral, free of charge, and the Lender will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (x) the Lender may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Lender hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at the rate specified in the Credit Agreement, shall be added to and form part of the Facility Indebtedness hereby secured in accordance with the Credit Agreement; and
 - (xi) the Lender may discharge any claim, lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the obligations hereby secured.
- (c) The Lender may:

- (i) grant extensions of time,
- (ii) take and perfect or abstain from taking and perfecting security,
- (iii) give up securities,
- (iv) accept compositions or compromises,
- (v) grant releases and discharges, and
- (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Lender sees fit,

without prejudice to the liability of the Debtor to the Lender or the Lender's rights hereunder.

- (d) The Lender shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Lender, the Debtor or any other person, in respect of the Collateral.
- (e) The Lender shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Lender shall apply any balance of such proceeds to payment of the Facility Indebtedness in accordance with the Credit Agreement. If the disposition of the Collateral fails to satisfy the Facility Indebtedness secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Lender forthwith on demand. Subject to the requirements of applicable law, any surplus realized in excess of the Facility Indebtedness shall be paid over to the Debtor.
- (f) Any Receiver shall be entitled to exercise all rights and powers of the Lender hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Lender and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

ARTICLE 6

GENERAL

6.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and assigns of the Lender permitted under the Credit Agreement.

6.2 No Waiver

No delay or failure by the Lender in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

6.3 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect. All rights, powers and remedies herein conferred shall be exercisable by the Lender only to the extent not prohibited by applicable law; and all waivers and relinquishments or rights and similar matter shall only be effective to the extent such waivers or relinquishments are not prohibited by applicable law.

6.4 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in accordance with the Credit Agreement.

6.5 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Lender. No waiver of any provision of this Agreement by the Lender shall be effective unless the same is in writing and signed by the Lender, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Lender under this Agreement may only be assigned in accordance with the requirements of the Credit Agreement or applicable Facility Documents (as the case may be). The Debtor may not assign its obligations under this Agreement.

6.6 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Lender.

6.7 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Lender which discharge shall be provided by the Lender upon the request and cost of the Debtor following the indefeasible payment in full of the Facility Indebtedness and the cancellation of all credit availability under the Credit Agreement.

6.8 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Lender.

6.9 No Obligation to Act

Notwithstanding any provision of this Agreement or any of the Facility Documents or the operation, application or effect hereof, the Lender or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

6.10 Admit to Benefit

Subject to Section 6.5, no person other than the Lender shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

6.11 Time of the Essence

Time shall be of the essence with regard to this Agreement.

6.12 Waiver of Financing Statement, etc.

The Debtor hereby waives the right to receive from the Lender a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

6.13 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

6.14 Attornment

The Debtor and the Lender each hereby attorn and submit to the jurisdiction of the courts of the Province of British Columbia. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of British Columbia and the courts of the Province of British Columbia shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or Lender to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

6.15 Executed Copy

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

6.16 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

ALDERON IRON ORE CORP.

Per: 
Authorized Signatory

TAXFUN ELIDEM
PRESIDENT & CHIEF EXECUTIVE OFFICER

Chief executive office of the Debtor and office where the Debtor keeps its records respecting the Receivables:

1240 - 1140 W. Pender St.

Vancouver, B.C. V6G 3H7

Canada

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP, by its general partner,
Sprott Resource Lending Corp.**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

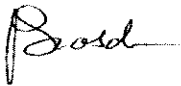
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.


ALDERON IRON ORE CORP.

Chief executive office of the Debtor and office where the Debtor keeps its records respecting the Receivables:


Per: _____
Authorized Signatory

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, by its general partner, Sprott Resource Lending Corp.

Per:  _____
Authorized Signatory

Per:  _____
Authorized Signatory

This is Exhibit "9" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

ASSIGNMENT OF MATERIAL CONTRACTS

THIS AGREEMENT made as of July 10, 2018

AMONG:

THE KAMI MINE LIMITED PARTNERSHIP, a limited partnership organized under the laws of the Province of Ontario

(the "**Borrower**")

AND:

KAMI GENERAL PARTNER LIMITED, a corporation organized and existing under the laws of the Province of Ontario

("**Kami GP**")

AND:

ALDERON IRON ORE CORP., a corporation organized and existing under the laws of the Province of British Columbia

("**Alderon**", and together with Kami GP, the "**Guarantors**")

AND:

SPROTT RESOURCE LENDING (COLLECTOR), LP, a limited partnership organized under the laws of the Province of Ontario

(the "**Lender**")

WHEREAS in consideration of the Lender extending credit to the Borrower pursuant to the Credit Agreement (as hereinafter defined) the Borrower and Guarantors have agreed to grant the security interest and assignment granted herein;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement:

"**Agreement**" means this assignment of material contracts, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Assignors**” means collectively the Borrower and Guarantors, and “**Assignor**” means any one of them individually.

“**Collateral**” has the meaning set out in Section 2.1.

“**Credit Agreement**” means the credit agreement dated June 20, 2018 between the Borrower, as borrower, Guarantors, as guarantors, and the Lender, as lender, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

“**Material Contracts**” means collectively, all material contracts, agreements, permits, licences, leases, approvals or other documents or rights held by or for the benefit of the Borrower or Guarantors with respect to the Project which are prudent or necessary for the continuing operation and development of the Project and contain terms or conditions which, if amended or, upon breach, termination, non-renewal or non-performance, could reasonably be expected to have a Material Adverse Effect (as defined in the Credit Agreement), including but not limited to the Material Contracts described in Schedule D to the Credit Agreement, as the same may be amended, extended, renewed, restated or replaced and in effect from time to time.

“**Material Contracts Rights**” means all right, title and interest of the Borrower in and to each of the Material Contracts and all the benefits held by or for the benefit of the Assignors under the Material Contracts including, without limitation, the benefit of all guarantees, covenants, terms, conditions, representations and warranties made or expressed therein or implied by law in relation thereto and all rights granted to the Assignors under any of the Material Contracts to give consents or approvals, make selections, exercise options, participate in arbitration or other legal proceedings and give notices thereunder.

“**Project**” means the iron ore development project located on the Kamistiatasset property in Newfoundland and Labrador, as more particularly described in the Credit Agreement.

“**Secured Obligations**” means all indebtedness, both present and future, and whether arising on current account or otherwise, together with interest thereon and all liabilities, present and future, direct or indirect, absolute or contingent of the Borrower and Guarantors to the Lender arising under or in connection with the Credit Agreement and the other Facility Documents, including, and without limiting the generality of the foregoing, any advance or re-advance, including every unpaid balance thereof, by the Lender, whenever made, and interest thereon to the same extent as if the advance or re-advance had been made at the time of creation of this Agreement, and for the performance of all present and future obligations of the Borrower and Guarantors to the Lender arising under or in connection with the Credit Agreement, the other Facility Documents or any of them.

1.2 Definitions used in the Credit Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms

in the Credit Agreement.

1.3 Personal Property Security Act Definitions

The terms “money” and “proceeds” whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (British Columbia), including the regulations thereunder, as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

ARTICLE 2 GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Secured Obligations, the Assignors, jointly and severally, do hereby grant, assign, transfer and set over to the Lender and create in favour of the Lender a security interest in and to the Material Contracts and the Material Contract Rights (to the fullest extent that the Assignors are party to any of the Material Contracts or benefit from or are entitled to any Material Contract Rights) and all proceeds thereof and therefrom and accretions thereto, from time to time and full power and authority after the occurrence of an Event of Default that is continuing to enforce performance of the Material Contract Rights and to demand, sue for and collect damages in connection therewith at the option of the Lender in the name of any of the Assignors, the Lender or any combination thereof (collectively, the “Collateral”).

2.2 Agreement for Security Purposes

This Agreement is granted as continuing collateral security for the Secured Obligations and shall not impair or diminish any obligation of the Assignors, or any other party or parties under the Material Contracts or of the Assignors, to the Lender under the Facility Documents. No obligation or liability arising under any of the Material Contracts shall be imposed upon or

incurred by the Lender by virtue of this Agreement. The Lender shall not be obliged to exercise any of its rights, powers, or remedies, whether or not the Lender has exercised some of such rights, powers, and remedies, and whether or not the Lender has become entitled to exercise them, and the Lender will not incur any liability in respect of the exercise, lack of exercise, or any act or omission in the exercise of those rights, powers, or remedies.

2.3 Consent

Nothing herein shall constitute an assignment or attempted assignment of any Material Contract or Material Contract Rights which by the provisions thereof or by law is not assignable or which requires the consent of a third party to its assignment, where the consent of such third party has not been obtained as of the date hereof. Unless and until any required consent is obtained, the Assignors shall hold all benefit to be derived therefrom in trust for the Lender as additional security for payment in full of all Secured Obligations and shall deliver up all such benefit to the Lender forthwith upon demand by the Lender.

2.4 Security Interest Absolute

The security interest granted hereby and all rights of the Lender hereunder and all obligations of the Assignors hereunder are unconditional and absolute and independent and separate from any other security for the Secured Obligations, whether executed by the Assignors or any other Person.

2.5 Separate Assignments

Each of the rights, privileges, benefits, contracts, permits, policies or other documents or interests comprised in the Material Contracts shall be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Lender may, exercise all rights hereunder in respect of each Material Contract separately and whether or not the Lender exercises its rights in respect of all or any of the other Material Contracts.

2.6 Attachment of Security Interest

The Assignors each acknowledge that the security interest hereby created attaches upon the execution of this Agreement (or in the case of any after-acquired Collateral, upon the date an Assignor has any rights therein), that value has been given by the Assignors and that each Assignor has, or in the case of after-acquired Collateral will have, rights in the Collateral or the power to transfer rights in the Collateral to the Lender.

2.7 No Assumption

- (a) The Assignors specifically acknowledge and agree that by virtue of the execution and delivery of this Agreement, the Lender shall not assume or have responsibility for, the payment of any sums due or to become due under any of the Material Contracts or the performance of any obligations to be performed under or with respect to any of the Material Contracts by the Assignors, and the Assignors hereby agree to indemnify and hold the Lender harmless with respect to any and all claims by any person relating thereto, title and interest of the

Assignors in and to each of the Material Contracts.

- (b) The Lender may, however, assume or perform any such obligations which it considers necessary or desirable to obtain the benefit of any Material Contracts free of any set-off, deduction or abatement and any money so expended by the Lender shall form part of the Secured Obligations and bear interest at the rate from time to time applicable to the outstanding balance of the Secured Obligations.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ASSIGNORS

3.1 Representations and Warranties

The Assignors hereby jointly and severally warrant and represent to the Lender that as of the date hereof each Assignor:

- (a) has not assigned, transferred, set over, delegated, otherwise alienated, terminated, abolished or suspended whether in whole or in part, any of the Material Contracts or any Material Contracts Rights to any Person other than the Lender;
- (b) the Material Contracts are currently in full force and effect and the Assignors are not in breach or default of, nor has any event or circumstance occurred, which, but for the passage of time or the giving of notice, or both, would constitute a breach or default, under any Material Contract;
- (c) the Material Contracts and Material Contract Rights are fully assignable and no consent, permission or document giving effect thereto is required that has not been duly obtained in relation to any of the Material Contracts and Material Contract Rights purportedly assigned hereby; and
- (d) the security interest created by this Agreement in the Collateral ranks as first priority charge and security interest in priority to all other charges and security interests over the Collateral other than Permitted Encumbrances.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by the Lender or its legal counsel and other representatives. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 5.8.

3.3 Covenants

The Assignors hereby jointly and severally covenant and agree with the Lender:

- (a) that at the request of the Lender, the Assignors will execute and deliver all

such further assurances and assignments as the Lender will from time to time reasonably require and to cause prompt action, including legal proceedings for enforcement of any of the Material Contracts and the Material Contract Rights and all other remedies available to it, thereunder, as soon as reasonably necessary to protect the interests of the applicable Assignor therein;

- (b) to promptly notify the Lender in writing of any notice received by an Assignor alleging a breach or default of any of the Material Contracts or any dispute which has been submitted for determination by arbitration and will set out details of such breach, default or dispute in such notice;
- (c) to transmit to the Lender copies of all notices, certificates, documents, statements and other communications which the Assignors are required or permitted to give or receive pursuant to the Material Contracts contemporaneously with the giving or receipt of same where such notices, certificates, documents, statements and communications;
- (d) to from time to time do, execute and deliver or cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably require so as to:
 - (i) maintain and preserve the security interest given hereunder;
 - (ii) perfect, publish notice of or protect the validity of this Agreement or any grant made or to be made by or pursuant to this Agreement; and
 - (iii) to preserve the rights of the Lender in this Agreement against the claims and interests of all third parties.

ARTICLE 4 REMEDIES

4.1 Remedies

- (a) Upon the occurrence and during the continuance of any Event of Default, after the expiration of any applicable cure period, any or all security granted hereby shall, in accordance with the Credit Agreement, become immediately enforceable and, in addition to any right or remedy provided by law, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable in accordance with the Credit Agreement and successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Lender may have:
 - (i) the Lender may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Collateral (which term when used in this Section 4.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction

for the appointment of a Receiver of the Collateral; and the term "Lender" when used in this Section 4.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Lender shall not be in any way responsible for any misconduct or negligence of any such Receiver;

- (ii) to the extent applicable, the Lender may take possession of the Collateral;
- (iii) the Lender may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (iv) the Lender may enforce any rights of the Assignors in respect of the Collateral by any manner permitted by law;
- (v) the Lender may realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of any of the Collateral in such manner as may seem advisable to the Lender, including, without limitation, at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Lender may determine and without notice to the Assignors unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient conveyance for the same, any officer or duly authorized representative of the Lender being hereby constituted the irrevocable attorney of the Assignors for the purpose of making such sale and executing such or conveyance, and any such sale made as aforesaid shall be a bar both in law and in equity against the Assignors and all other persons claiming all or any part of the Collateral by, from, through or under the Assignors. For such purposes, each requirement relating thereto and prescribed by applicable laws or otherwise is hereby waived by the Assignors to the extent permitted by applicable laws and in any offer or sale of any of the Collateral by the Lender is authorized to comply with any limitation or restriction in connection with such offer or sale as the Lender may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchase by any Governmental Authority. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Lender be liable or accountable to the Assignors for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
- (vi) subject to requirements of applicable laws, the Lender may purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise; and
- (vii) subject to requirements of applicable laws, the Lender may accept the

Collateral in satisfaction or partial satisfaction of the Secured Obligations upon notice to the Assignors of its intention to do so in the manner required by law.

- (b) The Lender shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Lender, the Assignors or any other person, in respect of the Collateral.
- (c) The Lender shall apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral, including fees and expenses of a Receiver and the Lender and the Secured Party shall apply any balance of such proceeds to payment of the Secured Obligations in accordance with the Credit Agreement. If the disposition of the Collateral fails to satisfy the Secured Obligations secured by this Agreement and the aforesaid expenses, the Assignors will be liable to pay any deficiency to the Lender forthwith on demand.
- (d) Any Receiver shall be entitled to exercise all rights and powers of the Lender hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Assignors and not of the Lender and the Assignors shall be solely responsible for the Receiver's acts or defaults and remuneration.

4.2 Power of Attorney

The Assignors hereby appoint the Lender as their attorney, with full authority in the place and stead of each Assignor and in the name of the Assignors or otherwise, from time to time in the Lender's discretion at any time after the occurrence and during the continuance of an Event of Default, after the expiration of any applicable cure period, to take any and all actions authorized or permitted to be taken by the Lender under this Agreement, subject to the Credit Agreement, or by applicable laws and to: (a) execute and deliver all instruments and other documents and do all such further acts and things as may be reasonably required by the Lender to enforce the security interest and remedies provided hereunder or to better evidence and perfect the security interest; and (b) take any action and execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement. Such appointment of the Lender as the Assignors' attorney is coupled with an interest and is irrevocable.

ARTICLE 5 GENERAL

5.1 Assignment

This Agreement shall be binding upon each Assignor and its successors and assigns. This Agreement, and any rights and obligations hereunder, may only be assigned in accordance with

the provisions of the Credit Agreement.

5.2 Conflict of Terms: Entire Agreement

This Agreement has been entered into as collateral security for the Secured Obligations and is subject to all the terms and conditions of the Credit Agreement and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement, the Credit Agreement will govern, but only to the extent of such conflict or inconsistency. This Agreement together with other Facility Documents constitute the entire agreement between the Assignor, the Lenders and the Lender with respect to the subject matter hereof.

5.3 No Waiver

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

5.4 Severability

If any provision of this Agreement shall be prohibited by or invalid under any applicable laws or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

5.5 Notices

In this Agreement, any notice or communication required or permitted shall be given in accordance with Article 9 of the Credit Agreement.

5.6 Modification: Waivers

This Agreement may not be amended or modified in any respect except by written instrument signed by each of the Assignors and the Lender. No waiver of any provision of this Agreement by the Lender shall be effective unless the same is in writing and signed by the Lender, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

5.7 Additional Continuing Security

This Agreement and the security interest granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Lender.

5.8 Discharge

The Lender will cancel and discharge this Agreement and the security interests granted in this Agreement in accordance with the terms provided for in the Credit Agreement and the Lender will execute and deliver to the Assignors all such documents as are required to effect the discharge.

5.9 No Obligation to Act

Notwithstanding any provision of this Agreement, the Lender or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

5.10 Time of the Essence

Time shall be of the essence with regard to this Agreement.

5.11 Waiver of Financing Statement, etc.

The Assignors hereby waive the right to receive from the Lender a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

5.12 Laws of British Columbia

This Agreement is governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the Assignors submits to the non-exclusive jurisdiction of the Courts of the Province of British Columbia concerning this Agreement.

5.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**THE KAMI MINE LIMITED PARTNERSHIP,
by its managing general partner, Kami General
Partner Limited**

Per: T. Eldem
Authorized Signatory
TAYFUN ELDEM
PRESIDENT

KAMI GENERAL PARTNER LIMITED

Per: T. Eldem
Authorized Signatory
TAYFUN ELDEM
PRESIDENT

ALDERON IRON ORE CORP.

Per: T. Eldem
Authorized Signatory
TAYFUN ELDEM
PRESIDENT & CHIEF EXECUTIVE OFFICER

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP, by its general partner,
Sprott Resource Lending Corp.**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**THE KAMI MINE LIMITED PARTNERSHIP,
by its managing general partner, Kami General
Partner Limited**

Per: _____
Authorized Signatory


KAMI GENERAL PARTNER LIMITED


Per: _____
Authorized Signatory

ALDERON IRON ORE CORP.

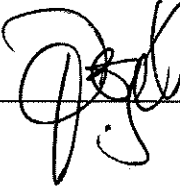
Per: _____
Authorized Signatory

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP, by its general partner,
Sprott Resource Lending Corp.**

Per:  _____
Authorized Signatory

Per:  _____
Authorized Signatory

This is Exhibit "10" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

ASSIGNMENT AND PLEDGE OF ACCOUNTS

This Assignment and Pledge of Accounts (the "**Assignment**") dated as of January 8, 2020 is made by The Kami Mine Limited Partnership (the "**Pledgor**") in favour of Sprott Private Resource Lending (Collector), LP (the "**Lender**")

WHEREAS:

- A. Pursuant to a credit agreement dated June 20, 2018 made among the Pledgor, as borrower, the guarantors party thereto and the Lender, as lender (the "**Credit Agreement**"), as supplemented by a forbearance and extension agreement dated January 8, 2020 among the Lender, the Borrower and the Guarantors (the "**Forbearance Agreement**" and together with the Credit Agreement, and as may be further amended, supplemented, restated or replaced from time to time, the "**Supplemented Credit Agreement**"), the Lender agreed to grant and continue a credit facility in favour of the Pledgor;
- B. The Lender has advanced the credit facility (the "**Credit Facility**") to the Pledgor and has allowed the Credit Facility to continue in accordance with the terms and subject to the conditions of the Supplemented Credit Agreement; and
- C. As collateral security for the Obligations, the Lender requires that the Pledgor assign and pledge the Account to the Lender.

NOW THEREFORE in consideration of the Lender having advanced the Credit Facility to the Pledgor and having allowed the Credit Facility to continue, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Pledgor covenants and agrees as follows:

ARTICLE 1

1.1 Definitions

In this Assignment, capitalized terms used herein without definition have the same meanings as are ascribed thereto in the Supplemented Credit Agreement unless there is something in the context or subject matter inconsistent therewith, and:

- (a) "**Account**" means the segregated interest-bearing bank account with reference no. - transit number 00040, account 4756-458 established by the Pledgor with Bank of Montreal in accordance with Section 5(d) of the Forbearance Agreement; and
- (b) "**Obligations**" means all indebtedness, liabilities and obligations of any kind arising out of or in connection with the Supplemented Credit Agreement owing by the Pledgor to the Lender.

1.2 Interpretation

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Assignment, the same shall be construed as meaning the singular, plural, masculine, feminine or neuter where the context so requires.

1.3 Enurement

This Assignment shall enure to the benefit of the successors and assigns of the Lender and shall be binding upon the successors, permitted assigns, receivers and trustees of the Pledgor.

ARTICLE 2

2.1 Assignment

The Pledgor hereby assigns, pledges and transfers to the Lender all of its interest in and to, and grants to the Lender a security interest in, the Account as security for the Obligations, including without limitation, (i) the passbook, statements, certificates or other written evidence of the Account; (ii) all money from time to time deposited into the Account; and (iii) all interest from time to time earned on the Account.

2.2 Representations and Warranties

The Pledgor represents and warrants and, so long as this Assignment is in effect, shall be deemed continuously to represent and warrant that the Pledgor:

- (a) is the owner of the Account free of all Liens, except the security interest granted by this Assignment;
- (b) is authorized to enter into this Assignment;
- (c) will not pledge or assign the Account to any other person as long as this Assignment is in effect; and
- (d) will not withdraw any funds from the Account while this Assignment is in effect.

2.3 Covenants

So long as this Assignment is in effect, the Pledgor will: (i) ensure that not less than US\$1,000,000.00 has been deposited into and shall remain in the Account, subject to the terms of this Agreement; (ii) defend the Account against the claims and demands of all other persons, keep the Account free from all Liens, except the security interest granted by this Assignment, and not sell, transfer, assign, deliver or otherwise dispose of the Account or any interest therein without the prior consent of the Lender; (iii) notify the Lender promptly in writing of any change in the Pledgor's name, structure or address; (iv) execute and deliver to the Lender such financing statements, assignments and other documents and do such other things relating to the Account and the security interest as the Lender may request, and pay all costs of filing financing statements, assignments and other documents in all public offices requested by the Lender; and (v) pay all taxes, assessments and other charges of every nature which may be imposed, levied or assessed against the Account.

2.4 Default

Upon the occurrence of an Event of Default, including for certainty non-payment of the Obligations as set out in the Forbearance Agreement, all interest of the Pledgor in the Account shall immediately cease and vest in the Lender and the funds held in the Account may, at the Lender's option, be applied against the Obligations. A default by the Pledgor hereunder shall constitute a default under any other instruments or agreements securing or evidencing the Obligations of the Pledgor owing to the Lender.

ARTICLE 3

3.1 Notices

Any notices to be given hereunder shall be given in accordance with the Supplemented Credit Agreement.

3.2 Notice to Account Bank

The Lender may notify the issuer of the Account of this assignment of and security interest in the Account and, subject to the terms of this Assignment and the Supplemented Credit Agreement, demand, collect and sue on the Account, and may enforce, compromise, settle or discharge the Account, all without discharging the Obligations or any part thereof. Upon the occurrence of an Event of Default, including for certainty non-payment of the Obligations as set out in the Forbearance Agreement, the Pledgor appoints the Lender as the Pledgor's attorney-in-fact to execute such cheques, withdrawal slips, certificates, orders or receipts for payment of the Account as the Lender deems appropriate. .

3.3 Governing Law

This Assignment shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the Courts of the Province of British Columbia shall have exclusive jurisdiction over any dispute arising herefrom.

3.4 Receiver

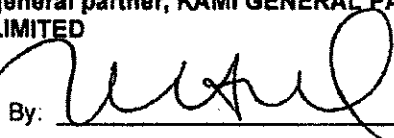
The rights of the Lender hereunder may be exercised by any receiver or receiver and manager appointed by, or on behalf of, the Lender by private appointment or by court appointment.

3.5 Paramountcy

This Assignment is entered into in connection with the Supplemented Credit Agreement and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Supplemented Credit Agreement and this Assignment, the provisions of the Supplemented Credit Agreement shall prevail to the extent necessary to remove the conflict; provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Assignment providing for a matter and the Supplemented Credit Agreement not providing for such matter.

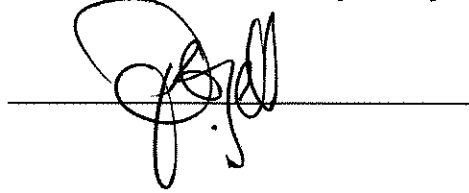
IN WITNESS WHEREOF the Pledgor has executed this Assignment as of the date and year first above written.

**THE KAMI MINE LIMITED PARTNERSHIP, by its
general partner, KAMI GENERAL PARTNER
LIMITED**

By:  _____

[Assignment and Pledge of Accounts]

This is Exhibit "11" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of January 8, 2020

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "**Bank**")

AND: **THE KAMI MINE LIMITED PARTNERSHIP**
(hereinafter called the "**Debtor**")

AND: **SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP**
(hereinafter called the "**Lender**")

WHEREAS the Debtor has entered or is about to enter into financing arrangements with the Lender pursuant to which the Lender has made or may from time to time make loans and advances and provide other financial accommodations to the Debtor secured by, among other things, all right, title and interest of Debtor in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Debtor has established U.S. Dollar Account No. 4756-458, Transit 00040 (the "**Collection Account**") with the Bank;

NOW THEREFORE in order for the Debtor to comply with the requirements of the Lender under its financing arrangements with the Debtor, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Debtor and the Lender agree as follows:

- 1. Establishment of Account.** The Bank will maintain the Collection Account as long as the Debtor is in compliance with the terms of the Bank's account documentation with respect thereto.
- 2. Deposit to Collection Account.** In connection with its financing arrangements with the Lender, the Debtor has agreed with the Lender to deposit or cause to be deposited not less than US\$1,000,000.00 in the Collection Account.
- 3. Security Interest of the Lender.** The Debtor has granted to the Lender a security interest in and lien upon, and pledged to the Lender, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Account and all amounts at any time in or attributable to the Collection Account, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Debtor to the Lender. The Lender acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Collection Account, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest the Lender or any other party may have relating to the Collection Account or the existence of any other liens or other interests respecting the Collection Account. The Bank assumes no responsibility or

liability for maintaining the perfection, registration or validity of the security interest of the Lender in the Collection Account.

4. **Exclusive Authority.** None of the officers, agents or other representatives of the Debtor or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Account and all amounts held therein. The Collection Account shall be under the sole dominion and control of the Lender. Accordingly, the Debtor shall not give any instructions with respect to the Collection Account other than those approved in writing by the Lender.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not the Lender is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by the Lender will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not the Lender is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of the Lender or the Debtor pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Immediately upon receipt of written notice from the Lender (such notice being in the form of **Schedule "A"** hereto and hereinafter referred to as a "**Trigger Notice**"), all amounts on deposit in the Collection Account, shall be irrevocably and unconditionally (subject to the terms and conditions herein) paid and remitted by the Bank, at the Debtor's cost and expense, by wire transfer solely to Lender's account as set out in the Trigger Notice. Upon payment by the Bank of all such amounts in accordance with the Trigger Notice provided by the Lender under this Section 6, and notwithstanding Section 12, this Agreement shall terminate, save and except for the rights of the Bank set out in Section 8 hereof and the indemnity in favour of the Bank set out in Section 10 hereof.
7. **Reporting.** At such time or times as the Lender may request, the Bank will promptly report to the Lender the amounts deposited in the Collection Account and will furnish to the Lender any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Debtor (as in effect on the date hereof). The Debtor hereby expressly consents to the release of this information by the Bank to the Lender. The Lender will reimburse the Bank for its reasonable expenses in providing such items to the Lender.
8. **Charges and Waiver of Right of Set-Off.** Debtor shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Account and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Account (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "**Charges**"). The Debtor and the Lender hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Collection Account and the Bank is hereby authorized to debit the Collection Account at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Debtor. If there are insufficient funds on deposit in the Collection Account to cover any outstanding Charges, the Debtor shall promptly pay to the Bank the amount of such Charges upon demand by the Bank.
9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Account in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.

10. **Indemnity.** The Debtor and the Lender shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Account to the Lender.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Account with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Debtor shall have no right to terminate this Agreement or the account agreements relating to the Collection Account without the written consent of the Lender. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Account upon thirty (30) days prior notice to the Lender thereof. The Lender may terminate this Agreement upon thirty (30) days prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of the Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by the Lender and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and enure to the benefit of the Lender and its successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier, facsimile or electronic mail to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

Lender:

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
Suite 2600, 200 Bay Street
Toronto, Ontario
M5J 2J1
Email: jgrosdanis@sprottlending.com

Bank:

BANK OF MONTREAL
595 Burrard Street
Vancouver, B.C. V7X 1L7

Fax No.: 604-668-1450
Email: Joel.Rutherford@bmo.com or Colleen.Saimoto@bmo.com

Debtor:

THE KAMI MINE LIMITED PARTENRSHIP
Suite 1240 – 1140 West Pender Street
Vancouver, BC V6E 4G1

Fax No.: 604-681-8039
Email: caasen@alderonironore.com

16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.

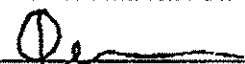
[Section 19 and Signature Page to follow]

19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**THE KAMI MINE LIMITED PARTNERSHIP,
by its general partner, KAMI GENERAL
PARTNER LIMITED**

Per: 

Name: **Kate-Lynn Genzel**
Title: **Chief Financial Officer**


Name: **Olen Aasen**
Title: **Secretary & Director**

**SPROTT PRIVATE LENDING
(COLLECTOR), LP, by its general partner,
SPROTT RESOURCE LENDING CORP.**

Per: _____
Name:
Title:

Name:
Title:

BANK OF MONTREAL

Per: _____
Name:
Title:

Name:
Title:

19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**THE KAMI MINE LIMITED PARTNERSHIP,
by its general partner, KAMI GENERAL
PARTNER LIMITED**

Per: _____
Name:
Title:

Name:
Title:

**SPROTT PRIVATE LENDING
(COLLECTOR), LP, by its general partner,
SPROTT RESOURCE LENDING CORP.**

Per: _____
Name: Jim Grosdanis
Title: Managing Partner

Name: Peter Grosdanis
Title: CEO

BANK OF MONTREAL

Per: _____
Name:
Title:

Name:
Title:

19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**THE KAMI MINE LIMITED PARTNERSHIP,
by its general partner, KAMI GENERAL
PARTNER LIMITED**

Per: _____
Name:
Title:

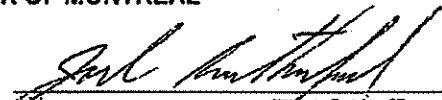
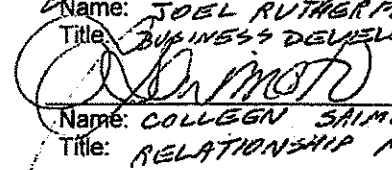
Name:
Title:

**SPROTT PRIVATE LENDING
(COLLECTOR), LP, by its general partner,
SPROTT RESOURCE LENDING CORP.**

Per: _____
Name:
Title:

Name:
Title:

BANK OF MONTREAL

Per: 
Name: JOEL RUTHERFORD
Title: BUSINESS DEVELOPMENT MANAGER

Name: COLLEEN SAIMOTO
Title: RELATIONSHIP MANAGER

SCHEDULE "A"

FORM OF TRIGGER NOTICE

[LENDER LETTERHEAD]

_____, 20____

BY FACSIMILE OR EMAIL

Bank of Montreal first contact

Joel Rutherford

Facsimile: (604) 668-1450

Email: Joel.Rutherford@bmo.com

Bank of Montreal second contact

Colleen Saimoto

Facsimile: (604) 668-1450

Email: Colleen.Saimoto.com

Re: United States Dollar Account No. 4756-458, Transit No. 00040, Institution No. 001 (the "Deposit Account") maintained by The Kami Mine Limited Partnership (the "Debtor")

Ladies and Gentlemen:

Reference is made to the Blocked Account Agreement dated January 8, 2020 (as amended, supplemented or otherwise modified, renewed, restated or replaced from time to time, the "**Agreement**"), among Bank of Montreal, in its capacity as the provider of banking services (the "**Bank**"), Sprott Private Resource Lending (Collector), LP (the "**Lender**"), and the Debtor. All capitalized terms used in this letter without definition shall have the respective meanings specified in the Agreement.

This letter shall constitute a Trigger Notice for the purpose, and within the meaning, of Section 7 of the Agreement. Accordingly, in accordance with Section 6 of the Agreement, upon your receipt of this letter please forward all amounts on deposit in the Deposit Account to the account described in the attached **Exhibit 1**.

Thank you for your anticipated cooperation. Should you have any questions about these instructions, please contact the undersigned.

Very truly yours,

**SPROTT PRIVATE RESOURCE
LENDING (COLLECTOR), LP, by its
general partner, Sprott Resource
Lending Corp., as Lender**

Per: _____

Name:

Title:

Name:


Title:

EXHIBIT "1"

LENDER ACCOUNT DETAILS

Bank:	Royal Bank of Canada
Address:	200 Bay Street PO Box 1 Toronto, Ontario M5W 1P9
Account Name:	Sprott Resource Lending Corporation
Account Number:	1063239
Transit:	00002
Swift Code:	ROYCCAT2

This is Exhibit "12" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Personal Property Registry

For: [PB96238] [ELDOR-WAL REGISTRATIONS (1987) LT]

Selection List

May 01, 2020

02:19:46 PM

Return				Send to Mailbox	Help ?
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Folio:

Business Name: THE KAMI
MINE PARTNERSHIP

Local Print Limit:

BSR101 - NO MORE INFORMATION TO DISPLAY

Debtor Name

- THE KAMI MINE LIMITED PARTNERSHIP
- THE KAMI MINE LIMITED PARTNERSHIP

BC OnLine: PPRS SEARCH RESULT 2020/05/01
Lterm: XPSP0050 For: PB96238 ELDOR-WAL REGISTRATIONS (1987) LT 14:19:46

Index: BUSINESS DEBTOR

Search Criteria: THE KAMI MINE PARTNERSHIP

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 25, 2018 Reg. Length: 3 YEARS
Reg. Time: 11:52:52 Expiry Date: JUN 25, 2021
Base Reg. #: 851745K Control #: D5377083

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2

S0002 Secured Party: SPROTT RESOURCE LENDING CORP.
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2

=D0001 Base Debtor: THE KAMI MINE LIMITED PARTNERSHIP
(Business) 1140 W. PENDER ST, STE 1240
VANCOUVER BC V6E 4G1

D0002 Bus. Debtor: KAMI GENERAL PARTNER LIMITED
1140 W. PENDER ST, STE 1240
VANCOUVER BC V6E 4G1

General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY AND AN UNCRYSTALLISED FLOATING CHARGE ON LAND.

Registering

Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

***** P P S A S E C U R I T Y A G R E E M E N T *****

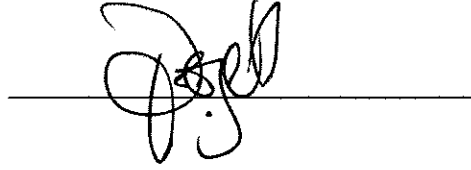
Reg. Date: JAN 09, 2020 Reg. Length: 1 YEAR
Reg. Time: 15:15:09 Expiry Date: JAN 09, 2021
Base Reg. #: 995408L Control #: D6542378

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP
STE 2600, 200 BAY STREET
TORONTO ON M5J 2J1

This is Exhibit "13" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Personal Property Registry

For: [PB96238] [ELDOR-WAL REGISTRATIONS (1987) LT]

Selection List

May 01, 2020

01:10:41 PM

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Folio:

BC Online Mailbox

Business Name: KAMI
GENERAL PARTNER LIMITED

⇒ **Exact Matches: 2**

Local Print Limit:

BSR102 - CLICK APPROPRIATE BUTTON FOR MORE INFORMATION

Debtor Name

- ⇒ KAMI GENERAL PARTNER LIMITED
- ⇒ KAMI GENERAL PARTNER LIMITED
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER
- CIMS GENERAL PARTNER LTD
- CIMS GENERAL PARTNER LTD
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- CIMS GENERAL PARTNER LTD

Personal Property Registry

Selection List

For: [PB96238] [ELDOR-WAL REGISTRATIONS (1987) LT]

May 01, 2020

01:11:14 PM

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Folio:

[BC OnLine Mailbox](#)

Business Name: KAMI
GENERAL PARTNER LIMITED

⇒ **Exact Matches: 2**

Local Print Limit:

BSR101 - NO MORE INFORMATION TO DISPLAY

Debtor Name

- CIMS GENERAL PARTNER LTD
- CIMS GENERAL PARTNER LTD
- CIMS GENERAL PARTNER LTD
- CIMS GENERAL PARTNER LTD.
- CIMS GENERAL PARTNER LTD.
- CIMS GENERAL PARTNER LTD.

BC OnLine: PPRS SEARCH RESULT 2020/05/01
Lterm: XPSP0050 For: PB96238 ELDOR-WAL REGISTRATIONS (1987) LT 13:10:41

Index: BUSINESS DEBTOR

Search Criteria: KAMI GENERAL PARTNER LIMITED

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 25, 2018 Reg. Length: 3 YEARS
Reg. Time: 11:52:52 Expiry Date: JUN 25, 2021
Base Reg. #: 851745K Control #: D5377083

Block#

S0001 Secured Party: SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2

S0002 Secured Party: SPROTT RESOURCE LENDING CORP.
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2

D0001 Base Debtor: THE KAMI MINE LIMITED PARTNERSHIP
(Business) 1140 W. PENDER ST, STE 1240
VANCOUVER BC V6E 4G1

=D0002 Bus. Debtor: KAMI GENERAL PARTNER LIMITED
1140 W. PENDER ST, STE 1240
VANCOUVER BC V6E 4G1

General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY AND AN
UNCRYSTALLISED FLOATING CHARGE ON LAND.

Registering

Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 09, 2020 Reg. Length: 1 YEAR
Reg. Time: 15:15:09 Expiry Date: JAN 09, 2021
Base Reg. #: 995408L Control #: D6542378

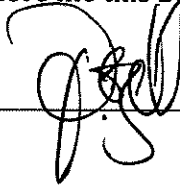
Block#

S0001 Secured Party: SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP
STE 2600, 200 BAY STREET
TORONTO ON M5J 2J1

S0002 Secured Party: SPROTT RESOURCE LENDING CORP
STE 2600, 200 BAY STREET
TORONTO ON M5J 2J1

D0001 Base Debtor: THE KAMI MINE LIMITED PARTNERSHIP
(Business) STE 1240, 1140 WEST PENDER ST
VANCOUVER BC V6E 4G1

This is Exhibit "14" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Personal Property Registry

For: [PB96238] [ELDOR-WAL REGISTRATIONS (1987) LT]

Selection List

May 01, 2020

01:11:46 PM

Return				Send to Mailbox	Help
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Folio:

[BC OnLine Mailbox](#)

Business Name: ALDERON
IRON ORE CORP.

➔ **Exact Matches: 1**

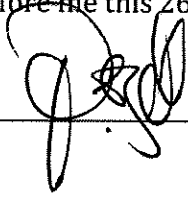
Local Print Limit:

BSR101 - NO MORE INFORMATION TO DISPLAY

Debtor Name

➔ ALDERON IRON ORE CORP

This is Exhibit "15" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Newfoundland and Labrador
Type of Search:	Debtors (Enterprise)
Search Criteria:	THE KAMI MINE PARTNERSHIP
Date and Time of Search (YYYY-MM-DD hh:mm):	2020-05-01 18:22 (Atlantic)
Transaction Number:	19816921
Searched By:	Z192800

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
	*	11984283	KAMI MINE LIMITED PARTNERSHIP	Montreal
	*	11984283	KAMI MINE LIMITED PARTNERSHIP	Labrador City
	*	11984283	KAMI MINE LIMITED PARTNERSHIP	Labrador City
	*	16106841	THE KAMI MINE LIMITED PARTNERSHIP	VANCOUVER

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.
- 4 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 11984283

Province or Territory: Newfoundland and Labrador
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	11984283	2014-05-29 15:37	2020-05-29	SM007471.3

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
2000 McGill College Ave, Suite 250
Montreal QC H3A 3H3
Canada

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
PO Box 214
Labrador City NL A2V 1L0
Canada

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
208 Humber Avenue
PO Box 214
Labrador City NL A2V 1L1
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
2000 McGill College Ave, Suite 250
Montreal QC H3A 3H3
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
PO Box 214
Labrador City NL A2V 1L0
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
208 Humber Avenue
PO Box 214
Labrador City NL A2V 1L1
Canada

Secured Parties

Type: Enterprise
METSO MINERALS CANADA INC.
P.O. Box 5900
Belleville ON K8N 5C8
Canada

General Collateral

A security interest is taken in the debtor's interest in the following:

One 60-89 Primary Gyrotory Crusher (Serial Number S6089132), including:
Counterbalancing
Lubrication/Hydraulic Skid Assembly System Transmitters
Liner System consisting of Quantity (1) Pinion shaft arm liner, (2) Narrow arm liners, (8) Spider rim liners, (2)
Spider arm liners, and (1) Spider cap
Specification requested adders (Special Tool)

Eccentric Maintenance Cart
 Lubrication and Hydraulic Skid
 Hydraulic shell Separators for Spider Removal
 Set of Concave Installation & Removal Platforms
 Top Shell Rim Seal Assembly/Seal Plates/Sealing between the Crusher and the Dump Pocket
 Dust Seal Air Blower
 Direct Coupled Drive Assembly
 Drive Motor
 Drive Guard
 Local PLC Control Panel
 NEMA 4X enclosure
 Lubrication/Hydraulic System Local Control Panel
 ControlLogix PLC
 Start-Up and Commissioning Spare Parts

Qty (1) - AG MILL - Liner Handler - Russell 7 4500 & 2 years spares. See Appendix 8 of the Life Cycle Services Agreement between the Debtor and Secured Party dated May, 2014 (the "LCS Agreement") - RME Specifications
 Initial set of Alloy PG 60-89 Concaves and Mantle (as listed in Appendix No. 09 Section 3 of the LCS Agreement)
 Initial set of AG Mill Liners (Mega Liner), including curved rubber covered pulp lifters (as listed in Appendix No. 09 Section 1 of the LCS Agreement)

Initial set of Ball Mill Liners (Rubber) (as listed in Appendix 02 Part A of the LCS Agreement)

Capital Spare parts - Ball Mill 22'X41'

Bronze Insert - 124" X 28" (Shared with the AG Mill)

Complete Drop-In Pinion Assembly:

- Bearing with Seal
- Pinion
- Bearing Mounting
- TLC Mounting
- TLC Hub
- Inching Hub Mounting
- Inching Hub

Capital Spares - AG MILL 36'X23'

Complete Drop-In Pinion Assembly:

- Bearing with Seal
- Pinion
- Bearing Mounting
- TLC Mounting
- TLC Hub
- Inching Hub Mounting
- Inching Hub

Capital Spares - 60X89 Crusher

- (1) Eccentric Wear Ring
- (1) MPS Cylinder Lower Bushing
- (1) Piston Wearing Plate
- (1) Step Washer
- (2) Pinionshaft Bearing
- (1) Mainshaft Step w/ Wear Indicator
- (1) Bottom Shell Bushing
- (1) Eccentric Bushing
- (1) Main Shaft Sleeve
- (1) Spare Mainshaft Assembly w/Mantle and Headnut

Spare parts inventory and wear parts as supplied from time to time.

Including all proceeds thereof.

Additional Information

The secured party claims a Purchase Money Security Interest in the above described collateral.

Registration Details for Registration Number: 16106841

Province or Territory: Newfoundland and Labrador

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	16106841	2018-07-05 10:41	2021-07-05	SM002258.52

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 THE KAMI MINE LIMITED PARTNERSHIP
 1140 WEST PENDER STREET, SUITE 1240
 VANCOUVER BC V6E 4G1
 Canada

Secured Parties

Type: Enterprise
 SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
 200 BAY STREET, SUITE 2750
 TORONTO ON M5J 2J2
 Canada

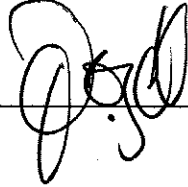
Type: Enterprise
 SPROTT RESOURCE LENDING CORP.
 200 BAY STREET, SUITE 2750
 TORONTO ON M5J 2J2
 Canada

General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This is Exhibit "16" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Newfoundland and Labrador
Type of Search: Debtors (Enterprise)
Search Criteria: Kami General Partner Limited
Date and Time of Search (YYYY-MM-DD hh:mm): 2020-05-01 17:22 (Atlantic)
Transaction Number: 19816683
Searched By: Z192800

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	11984283	KAMI GENERAL PARTNER LIMITED	Montreal
*	*	11984283	KAMI GENERAL PARTNER LIMITED	Labrador City
*	*	11984283	KAMI GENERAL PARTNER LIMITED	Labrador City
*	*	16106858	KAMI GENERAL PARTNER LIMITED	VANCOUVER

An "*" in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 4 registration(s) contained information that **exactly** matched the search criteria you specified.
- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 11984283

Province or Territory: Newfoundland and Labrador
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	11984283	2014-05-29 15:37	2020-05-29	SM007471.3

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
2000 McGill College Ave, Suite 250
Montreal QC H3A 3H3
Canada

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
PO Box 214
Labrador City NL A2V 1L0
Canada

Type: Enterprise
KAMI MINE LIMITED PARTNERSHIP
208 Humber Avenue
PO Box 214
Labrador City NL A2V 1L1
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
2000 McGill College Ave, Suite 250
Montreal QC H3A 3H3
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
PO Box 214
Labrador City NL A2V 1L0
Canada

Type: Enterprise
KAMI GENERAL PARTNER LIMITED
208 Humber Avenue
PO Box 214
Labrador City NL A2V 1L1
Canada

Secured Parties

Type: Enterprise
METSO MINERALS CANADA INC.
P.O. Box 5900
Belleville ON K8N 5C8
Canada

General Collateral

A security interest is taken in the debtor's interest in the following:

One 60-89 Primary Gyrotory Crusher (Serial Number S6089132), including:
Counterbalancing
Lubrication/Hydraulic Skid Assembly System Transmitters
Liner System consisting of Quantity (1) Pinion shaft arm liner, (2) Narrow arm liners, (8) Spider rim liners, (2)
Spider arm liners, and (1) Spider cap
Specification requested adders (Special Tool)

Eccentric Maintenance Cart
 Lubrication and Hydraulic Skid
 Hydraulic shell Separators for Spider Removal
 Set of Concave Installation & Removal Platforms
 Top Shell Rim Seal Assembly/Seal Plates/Sealing between the Crusher and the Dump Pocket
 Dust Seal Air Blower
 Direct Coupled Drive Assembly
 Drive Motor
 Drive Guard
 Local PLC Control Panel
 NEMA 4X enclosure
 Lubrication/Hydraulic System Local Control Panel
 ControlLogix PLC
 Start-Up and Commissioning Spare Parts

Qty (1) - AG MILL - Liner Handler - Russell 7 4500 & 2 years spares. See Appendix 8 of the Life Cycle Services Agreement between the Debtor and Secured Party dated May, 2014 (the "LCS Agreement") - RME Specifications Initial set of Alloy PG 60-89 Concaves and Mantle (as listed in Appendix No. 09 Section 3 of the LCS Agreement) Initial set of AG Mill Liners (Mega Liner), including curved rubber covered pulp lifters (as listed in Appendix No. 09 Section 1 of the LCS Agreement) Initial set of Ball Mill Liners (Rubber) (as listed in Appendix 02 Part A of the LCS Agreement) Capital Spare parts - Ball Mill 22'X41'

Bronze Insert - 124" X 28" (Shared with the AG Mill)

Complete Drop-In Pinion Assembly:

- Bearing with Seal
- Pinion
- Bearing Mounting
- TLC Mounting
- TLC Hub
- Inching Hub Mounting
- Inching Hub

Capital Spares - AG MILL 36'X23'

Complete Drop-In Pinion Assembly:

- Bearing with Seal
- Pinion
- Bearing Mounting
- TLC Mounting
- TLC Hub
- Inching Hub Mounting
- Inching Hub

Capital Spares - 60X89 Crusher

- (1) Eccentric Wear Ring
- (1) MPS Cylinder Lower Bushing
- (1) Piston Wearing Plate
- (1) Step Washer
- (2) Pinionshaft Bearing
- (1) Mainshaft Step w/ Wear Indicator
- (1) Bottom Shell Bushing
- (1) Eccentric Bushing
- (1) Main Shaft Sleeve
- (1) Spare Mainshaft Assembly w/Mantle and Headnut

Spare parts inventory and wear parts as supplied from time to time.

Including all proceeds thereof.

Additional Information

The secured party claims a Purchase Money Security Interest in the above described collateral.

Registration Details for Registration Number: 16106858

Province or Territory: Newfoundland and Labrador

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	16106858	2018-07-05 10:43	2021-07-05	SM002258.52

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 KAMI GENERAL PARTNER LIMITED
 1140 WEST PENDER STREET, SUITE 1240
 VANCOUVER BC V6E 4G1
 Canada

Secured Parties

Type: Enterprise
 SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
 200 BAY STREET, SUITE 2750
 TORONTO ON M5J 2J2
 Canada

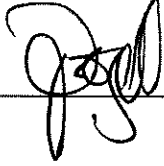
Type: Enterprise
 SPROTT RESOURCE LENDING CORP.
 200 BAY STREET, SUITE 2750
 TORONTO ON M5J 2J2
 Canada

General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This is Exhibit "17" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Newfoundland and Labrador
Type of Search: Debtors (Enterprise)
Search Criteria: Alderon Iron Ore Corp.
Date and Time of Search (YYYY-MM-DD hh:mm): 2020-05-01 17:23 (Atlantic)
Transaction Number: 19816688
Searched By: Z192800

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	16106866	ALDERON IRON ORE CORP.	VANCOUVER

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 1 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 16106866

Province or Territory: Newfoundland and Labrador
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	16106866	2018-07-05 10:45	2021-07-05	SM002258.52

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 ALDERON IRON ORE CORP.
 1140 WEST PENDER STREET, SUITE 1240

VANCOUVER BC V6E 4G1
Canada

Secured Parties

Type: Enterprise
SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2
Canada

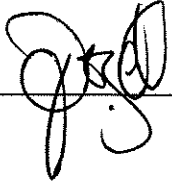
Type: Enterprise
SPROTT RESOURCE LENDING CORP.
200 BAY STREET, SUITE 2750
TORONTO ON M5J 2J2
Canada

General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This is Exhibit "18" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Your Ref No. 575610-5
Liens : 2 Pages : 4

Searched :01MAY2020 05:22 PM
Printed :01MAY2020 05:19 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 17:22:29
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : THE KAMI MINE PARTNERSHIP

00 FILE NUMBER : 713940093 EXPIRY DATE : 09FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20160209 1037 1529 0835 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: THE KAMI MINE LIMITED PARTNERSHIP

04 ADDRESS : 2000 MCGILL COLLEGE AVENUE, SUITE 250 OCN :
CITY : MONTREAL PROV: PQ POSTAL CODE: H3A 3H3
05 IND DOB : IND NAME:
06 BUS NAME: KAMI GENERAL PARTNER LIMITED

07 ADDRESS : 40 KING STREET WEST, SUITE 4400 OCN :
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3Y4
08 SECURED PARTY/LIEN CLAIMANT :
METSO MINERALS CANADA INC.

09 ADDRESS : 795 GEORGE V
CITY : LACHINE PROV: PQ POSTAL CODE: H8S 2R9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 YEAR MAKE X X MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION
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16 AGENT: MILLER THOMSON LLP
17 ADDRESS : 40 KING STREET WEST, SUITE 5800
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S1

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 17:22:31
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : THE KAMI MINE PARTNERSHIP

00 FILE NUMBER : 713940093 EXPIRY DATE : 09FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20160209 1037 1529 0835 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: ALDERON IRON ORE CORP.

OCN :
04 ADDRESS : 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 17:22:34
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : THE KAMI MINE PARTNERSHIP

00 FILE NUMBER : 740895849 EXPIRY DATE : 25JUN 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20180625 1750 1590 3194 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: THE KAMI MINE LIMITED PARTNERSHIP

OCN :

04 ADDRESS : SUITE 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1
05 IND DOB : IND NAME:
06 BUS NAME: KAMI GENERAL PARTNER LIMITED

OCN :

07 ADDRESS : SUITE 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1
08 SECURED PARTY/LIEN CLAIMANT :

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP

09 ADDRESS : 200 BAY STREET, SUITE 2750
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION
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16 AGENT: DYE & DURHAM CORPORATION
17 ADDRESS : SUITE 301, 1321 BLANSHARD ST
CITY : VICTORIA PROV: BC POSTAL CODE: V8W 0B6

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 17:22:37
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : THE KAMI MINE PARTNERSHIP

00 FILE NUMBER : 740895849 EXPIRY DATE : 25JUN 2021 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20180625 1750 1590 3194 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
SPROTT RESOURCE LENDING CORP.

09 ADDRESS : 200 BAY STREET, SUITE 2750
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF REPORT

This is Exhibit "19" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Your Ref No. 575610-5
Liens : 2 Pages : 4

Searched :01MAY2020 04:08 PM
Printed :01MAY2020 04:13 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:16
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : KAMI GENERAL PARTNER LIMITED

00 FILE NUMBER : 713940093 EXPIRY DATE : 09FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20160209 1037 1529 0835 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: THE KAMI MINE LIMITED PARTNERSHIP

OCN :
04 ADDRESS : 2000 MCGILL COLLEGE AVENUE, SUITE 250
CITY : MONTREAL PROV: PQ POSTAL CODE: H3A 3H3
05 IND DOB : IND NAME:
06 BUS NAME: KAMI GENERAL PARTNER LIMITED

OCN :
07 ADDRESS : 40 KING STREET WEST, SUITE 4400
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3Y4
08 SECURED PARTY/LIEN CLAIMANT :
METSO MINERALS CANADA INC.

09 ADDRESS : 795 GEORGE V
CITY : LACHINE PROV: PQ POSTAL CODE: H8S 2R9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE X MODEL V.I.N.
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GENERAL COLLATERAL DESCRIPTION
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16 AGENT: MILLER THOMSON LLP
17 ADDRESS : 40 KING STREET WEST, SUITE 5800
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S1

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:18
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : KAMI GENERAL PARTNER LIMITED

00 FILE NUMBER : 713940093 EXPIRY DATE : 09FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20160209 1037 1529 0835 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: ALDERON IRON ORE CORP.

OCN :
04 ADDRESS : 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:21
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : KAMI GENERAL PARTNER LIMITED

00 FILE NUMBER : 740895849 EXPIRY DATE : 25JUN 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20180625 1750 1590 3194 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: THE KAMI MINE LIMITED PARTNERSHIP

OCN :

04 ADDRESS : SUITE 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1
05 IND DOB : IND NAME:
06 BUS NAME: KAMI GENERAL PARTNER LIMITED

OCN :

07 ADDRESS : SUITE 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1

08 SECURED PARTY/LIEN CLAIMANT :
SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP

09 ADDRESS : 200 BAY STREET, SUITE 2750
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: DYE & DURHAM CORPORATION
17 ADDRESS : SUITE 301, 1321 BLANSHARD ST
CITY : VICTORIA PROV: BC POSTAL CODE: V8W 0B6

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:24
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 4 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : KAMI GENERAL PARTNER LIMITED

00 FILE NUMBER : 740895849 EXPIRY DATE : 25JUN 2021 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20180625 1750 1590 3194 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
SPROTT RESOURCE LENDING CORP.

09 ADDRESS : 200 BAY STREET, SUITE 2750
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE


10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF REPORT

This is Exhibit "20" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Your Ref No. 575610-5
Liens : 2 Pages : 4

Searched :01MAY2020 04:09 PM
Printed :01MAY2020 04:13 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:35
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : ALDERON IRON ORE CORP

00 FILE NUMBER : 713940093 EXPIRY DATE : 09FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :
REG NUM : 20160209 1037 1529 0835 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: THE KAMI MINE LIMITED PARTNERSHIP

04 ADDRESS : 2000 MCGILL COLLEGE AVENUE, SUITE 250 OCN :
CITY : MONTREAL PROV: PQ POSTAL CODE: H3A 3H3
05 IND DOB : IND NAME:
06 BUS NAME: KAMI GENERAL PARTNER LIMITED

07 ADDRESS : 40 KING STREET WEST, SUITE 4400 OCN :
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3Y4
08 SECURED PARTY/LIEN CLAIMANT :

METSO MINERALS CANADA INC.
09 ADDRESS : 795 GEORGE V
CITY : LACHINE PROV: PQ POSTAL CODE: H8S 2R9
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE X MODEL V.I.N.
11

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13 GENERAL COLLATERAL DESCRIPTION
14

15
16 AGENT: MILLER THOMSON LLP
17 ADDRESS : 40 KING STREET WEST, SUITE 5800
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S1

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 05/01/2020
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 16:08:41
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 4
FILE CURRENCY : 30APR 2020
SEARCH : BD : ALDERON IRON ORE CORP

00 FILE NUMBER : 740895777 EXPIRY DATE : 25JUN 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20180625 1745 1590 3193 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: ALDERON IRON ORE CORP.

OCN :
04 ADDRESS : SUITE 1240 - 1140 WEST PENDER STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4G1

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP

09 ADDRESS : 200 BAY STREET, SUITE 2750
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

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14
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16 AGENT: DYE & DURHAM CORPORATION
17 ADDRESS : SUITE 301, 1321 BLANSHARD ST
CITY : VICTORIA PROV: BC POSTAL CODE: V8W 0B6

This is Exhibit "21" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

Progressive Searching Limited

P. O. Box 1238
St. John's, NL
A1C 5M9
Phone (709) 754-1484
Fax (709) 739-6540
admin@progressivesearching.com

2020 05 19

Cox & Palmer
Suite 1100, Scotia Centre
235 Water Street
St. John's, NL A1C 1B6

Attention: Darren O'Keefe

Re: Property of The Kami Mine Limited Partnership,
Kami General Partner Corp., and
Alderon Iron Ore Corp.
All property
File No. 126816

Dear Darren,

A sub search of title of the above captioned property was carried out on your behalf at the Registry of Deeds today. Our sub search covered the period from the date of the first cited deed below and we have established the following registered history to date:

DEBENTURE

Dated July 10, 2018
Registered July 10, 2018
Reg. No. 866729

THE KAMI MINE LIMITED PARTNERSHIP
and Kami General Partner Limited and Alderon Iron Ore
Corp. as Guarantors

to

SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR) LP. by its general partner SPROTT
LENDING RESOURCE CORP.
Consideration 14,000,000.00

Creates a fixed charge on all present and after-acquired real and personal property, including mineral rights and a floating charge on all after-acquired real and personal property, including mineral rights.

2020 05 19

Page 2

126816

According to a posting at the Registry of Deeds this search is current to 4:30 p.m. on May 6, 2020. This is a posting by the Registry of the last day for which they believe all entries have been indexed. Some of these entries are pending approval and are subject to change without notification. We have searched the Mechanics' Liens Index and not found any outstanding liens registered against the current owner since 2018. The Mechanics' Liens search is current up to May 15, 2020 at 10:20 a.m. which is the date and time of the last approved lien document.

I trust this meets with your approval.

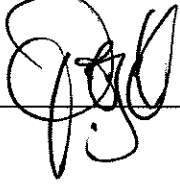
Yours very truly,

PROGRESSIVE SEARCHING LIMITED



Tanya Newman
TLN/tln

This is Exhibit "22" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

***This search result was produced by an external remote user
of the Judgment Enforcement Registry.***

Transaction Details

Transaction ID: 994403
Transaction Date: May-13-2020 4:18 PM
Transaction Type: Enterprise Search
Client Reference: Sara Bowering
Produced By: Cox & Palmer
Christina Locke
Search Criteria: KAMI MINE LIMITED PARTNERSHIP

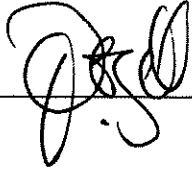
Results Summary

There are no matching results for the specified criteria.



Daniel F. Chafe
High Sheriff of Newfoundland and Labrador (A)

This is Exhibit "23" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

***This search result was produced by an external remote user
of the Judgment Enforcement Registry.***

Transaction Details

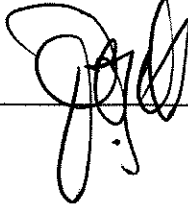
Transaction ID: 994404
Transaction Date: May-13-2020 4:18 PM
Transaction Type: Enterprise Search
Client Reference: Sara Bowering
Produced By: Cox & Palmer
Christina Locke
Search Criteria: KAMI GENERAL PARTNER LIMITED

Results Summary

There are no matching results for the specified criteria.


Daniel F. Chafe
High Sheriff of Newfoundland and Labrador (A)

This is Exhibit "24" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

***This search result was produced by an external remote user
of the Judgment Enforcement Registry.***

Transaction Details

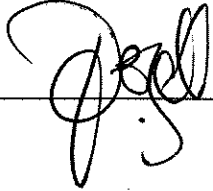
Transaction ID: 994405
Transaction Date: May-13-2020 4:18 PM
Transaction Type: Enterprise Search
Client Reference: Sara Bowering
Produced By: Cox & Palmer
Christina Locke
Search Criteria: ALDERON IRON ORE CORP.

Results Summary

There are no matching results for the specified criteria.


Daniel F. Chafe
High Sheriff of Newfoundland and Labrador (A)

This is Exhibit "25" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

FORBEARANCE AND EXTENSION AGREEMENT

THIS AGREEMENT made as of the 8th day of January, 2020.

A M O N G :

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP**

(the "**Secured Party**")

- and -

THE KAMI MINE LIMITED PARTNERSHIP

(the "**Borrower**")

- and -

ALDERON IRON ORE CORP.

("Alderon")

- and -

KAMI GENERAL PARTNER LIMITED

("Kami GP")

(herein Alderon and Kami GP are collectively referred to as the "**Guarantors**" and individually referred to as a "**Guarantor**")

WHEREAS the Secured Party has made available certain credit facilities to the Borrower pursuant to a credit agreement made as of the 20th of June, 2018 (the "**Credit Agreement**");

AND WHEREAS the Borrower and the Guarantors (the Borrower and the Guarantors are herein collectively referred to as the "**Debtors**") have executed and delivered to the Secured Party certain security, guarantees and other documentation (collectively, the "**Security**"), including without limitation, the security listed in **Schedule "A"** hereto, for the purpose of securing the payment and performance of all of the debts, liabilities and obligations, both present and future, of the Debtors to the Secured Party, which may be outstanding from time to time under the Credit Agreement (the "**Debtors' Obligations**");

AND WHEREAS, as at December 31, 2019 the Borrower is indebted to the Secured Party in the amount of \$14,000,000.00 inclusive of interest (the "**Indebtedness**");

AND WHEREAS all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Secured Party under or in

connection with the Credit Agreement and the Security (collectively, the "Obligations") were jointly and severally guaranteed by Alderon and Kami GP pursuant to a written guarantee made as of July 10, 2018;

AND WHEREAS the Debtors are in default under the Credit Agreement and Security;

AND WHEREAS the Secured Party has by letter dated December 20, 2019 set out certain of the conditions pursuant to which the Secured Party would consider the forbearance of its rights under the Credit Agreement and the Security in respect of the Indebtedness which is due and payable on December 31, 2019;

AND WHEREAS no payment of the Indebtedness has been received as of the date of this Agreement;

AND WHEREAS each of the Debtors has asked the Secured Party to allow them until close of business on February 14, 2020 to settle their obligations under the Credit Agreement and the Security and to irrevocably pay the Obligations in full, including for certainty, any unpaid and accrued interest and fees outstanding as at the date of such payment, and have further requested the Secured Party's forbearance during this period with respect to certain of the Secured Party's rights and remedies pursuant to the Credit Agreement and Security;

NOW THEREFORE THIS AGREEMENT WITNESSES that, for good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by all parties hereto, the undersigned hereby covenant and agree with each other as follows:

1. Debtors' Acknowledgement

Each of the Debtors hereby confirms, acknowledges and agrees that all of the Security and the Additional Security (as defined below) is fully valid and enforceable by the Secured Party against each party thereto in accordance with its terms unaltered, that the Borrower is in default under the Credit Agreement and Security and that the Secured Party is entitled to exercise all of its rights and remedies thereunder and under the Additional Security. Each of the Debtors hereby further acknowledges and agrees that the Secured Party has provided reasonable notice to each of the Debtors in respect of the exercise of all such rights and remedies and that, save for any notices required pursuant to legislation relating to insolvency proceedings, and specifically including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), no further notice(s) shall be required prior to such exercise at any time in the future. To the extent permitted by law, each of the Debtors hereby waives any and all defenses and claims against the Secured Party in connection with the exercise of the said rights and remedies by or on behalf of the Secured Party.

2. Debtors' Representations

Each of the Debtors hereby jointly and severally represents and warrants to the Secured Party, specifically acknowledging that the Secured Party is relying upon all of such representations and warranties in entering into this Agreement, as follows:

- (a) each of the recitals to this Agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;
- (b) the Debtors have disclosed to the Secured Party all information concerning the Borrower and each Guarantor and their respective businesses, assets and financial condition to the date hereof that may be relevant or material to the Secured Party and all of the books and records of the Borrower and the Guarantors provided as of the date hereof to the Secured Party are true, accurate and complete in all respects;
- (c) none of the Debtors is aware of any fact, event, circumstance or condition relating to any of the Debtors that may cause the Secured Party, as a reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (d) all corporate action necessary for the authorization, execution, delivery and performance of this Agreement by the Borrower has been duly authorized and taken; and
- (e) this Agreement, when duly executed and delivered by the Debtors will constitute a legal, valid and binding obligation, enforceable against each of the Debtors in accordance with its terms.

3. **Forbearance**

Except as otherwise specifically provided herein, the Secured Party hereby covenants and agrees to refrain, during the Forbearance Period, from further enforcing its rights and remedies whether under the Credit Agreement, the Security, the Additional Security or otherwise. In this Agreement, "**Forbearance Period**" shall mean the period commencing upon the execution and delivery of this Agreement, the Additional Security and any applicable documents in the form attached hereto as Schedules by the Secured Party and all of the Debtors and ending, subject to the provisions of this Section 3, upon the earlier of close of business on February 14, 2020 and the termination of the Forbearance Period by the Secured Party in accordance with this Agreement. Upon and after the expiration or termination of the Forbearance Period, the Secured Party shall have no obligations whatsoever pursuant to this Agreement but in all other respects this Agreement and all of the obligations of the Debtors hereunder shall survive and continue in full force and effect. The Secured Party may consider, in its sole and unfettered discretion, extending the term of the Forbearance Period if and only if the Borrower has: (a) provided the Secured Party with an offer from a third party satisfactory to the Secured Party to purchase the Secured Party's Security or such security as is capable of being assigned and transferred by the Secured Party on terms and in form and substance satisfactory in all respects to the Secured Party; or (b) provided the Secured Party with such offer to repay the Debtors' outstanding Indebtedness on terms and conditions satisfactory in all respects to the Secured Party.

4. **No Waiver**

None of the covenants and agreements of the Secured Party in this Agreement, nor the performance thereof at any time, shall constitute, or be deemed or implied to be, a waiver by the Secured Party of any default, either hereunder or under the Credit Agreement, the

Security or the Additional Security, that has occurred to the date hereof or any other subsequent or similar default.

5. Borrower's Specific Covenants

The Borrower covenants and agrees with the Secured Party, and acknowledges that the Secured Party is relying upon all of such covenants and agreements in entering into this Agreement, which covenants shall be separate and cumulative and in addition to all other covenants in this Agreement, that:

- (a) the Borrower shall, concurrently with the execution and delivery of this Agreement, execute and deliver to the Secured Party, as additional security, in form and substance satisfactory to the Secured Party in its sole and unfettered discretion:
 - (i) an assignment and pledge of accounts agreement in respect of an account (the "**Pledged Account**") established or to be established by the Borrower or another Debtor acceptable to the Secured Party into which the Borrower or the relevant Debtor will deposit not less than US\$1,000,000.00 (the "**Pledged Amount**"); and
 - (ii) a blocked account agreement in respect of the Pledged Account.

(collectively, the "**Additional Security**")
- (b) the Debtors shall, on a consolidated basis and as determined by reference to the previously filed reports and the consolidated monthly reports referred to in Section 7.1(k) of the Credit Agreement, at all times maintain a positive amount of Working Capital (as defined in the Credit Agreement, but without reference to or inclusion of the Pledged Amount); and
- (c) the Borrower shall, concurrently with the execution and delivery of this Agreement, pay to the Secured Party a forbearance fee in the amount of US\$350,000.00, payable as set out in Section 2.5(b) of the Credit Agreement.

6. Debtors' General Covenants

Subject to the terms of this Agreement, each of the Debtors hereby further jointly and severally covenants and agrees with the Secured Party, and acknowledges that the Secured Party is relying upon all of such covenants and agreements in entering into this Agreement, which covenants shall be separate and cumulative and in addition to all other covenants in this Agreement, that at all times from and after the date hereof and until the payment and performance of all of the Obligations in full, each of the Borrower and the Guarantors shall ensure and guarantee that the Borrower and each Guarantor shall:

- (a) not permit any loan, facility, guarantee, letter of credit, advance or other financing or amount provided by the Secured Party to or on behalf of the Debtors or any of them, whether prior to, on or after the date hereof, from being paid or issued to or on behalf of or used by any person or entity other than the Borrower;

- (b) not provide any financial assistance or make any payment or transfer any asset to any person not at arm's length (within the meaning of the *Income Tax Act* (Canada)) with the Debtors;
- (c) pay or cause to be paid, and shall indemnify and save the Secured Party harmless against, all reasonable fees, costs and expenses (including legal fees on a solicitor and client basis) incurred with respect to: the monitoring of the Debtors by the Secured Party and its agents from the date hereof; advice to the Secured Party in respect of the Indebtedness and in the preparation and execution of, and any amendment to, the Credit Agreement and all other documentation required hereunder or under the Credit Agreement, the Security or the Additional Security, and any financing statements, financing change statements and notices of security interest filed with respect thereto; the exercising of any or all of the rights, remedies and powers of the Secured Party under this Agreement, the Credit Agreement, the Security or the Additional Security; the taking, recovering or possessing of any or all of the assets of the Debtors, and of any other proceedings taken for the purpose of enforcing the remedies provided herein or therein or by reason of non-payment of the Obligations, including without limitation the appointment of an agent, a receiver, a manager and/or a receiver and manager (whether by court order or private appointment); and all other reasonable fees, costs, expenses and interest obligations constituting the Obligations, as they accrue; and all of the foregoing amounts shall bear interest at an annual rate equal to the highest rate borne by any of the Obligations and shall be payable on demand;
- (d) pay or cause to be paid to the Secured Party when due any and all amounts required by this Agreement, the Credit Agreement, the Security or the Additional Security to be paid to the Secured Party;
- (e) maintain and preserve all of its property, assets and undertaking in good condition and repair, and maintain in good standing all of its insurance policies as required by the Secured Party under the Credit Agreement, the Security or the Additional Security and otherwise from time to time;
- (f) refrain from declaring any dividends, granting any bonuses or salary increases, or making any capital expenditures, except with the Secured Party's prior written consent;
- (g) perform all of its obligations under any and all leases, licences and other agreements to which it is a party in order to preserve and protect its assets and the income therefrom and will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice so as to preserve and protect the earnings, income, rents, issues and profits thereof;
- (h) permit the Secured Party and any representative of the Secured Party, at any time, to inspect its plant, machinery, equipment, inventory, stock-in-trade and its operations and for that purpose to enter its premises and any other location where any of its assets may be situated;

- (i) keep proper books of account and records covering all its business and affairs on a current basis in accordance with generally accepted accounting principles consistently applied and shall deliver financial statements to the Secured Party from time to time as required by the Secured Party; prepare and file all tax returns in a timely manner; permit the Secured Party and any representative of the Secured Party at any time to inspect its books of account, records and documents, to make copies and summaries thereof and to make enquiries and tests for the purpose of verification thereof; provide the Secured Party with all reports as required by the Secured Party, including reports on all sales, purchases, receipts, deposits, payments, contracts or agreements which have been made or may be made by it or on its behalf;
- (j) at all times maintain its corporate existence and take all prudent action necessary or desirable to preserve and protect all of the rights, powers, privileges and goodwill owned by it;
- (k) refrain from changing its principal place of business, or the location of any of its assets, or the location of the office where it keeps its corporate records or records respecting its accounts receivable, or acquiring any other places of business;
- (l) not, without first obtaining the written consent of the Secured Party, consolidate, amalgamate or merge with any other corporation or acquire the shares of any corporation, firm or partnership or acquire the assets of any corporation, firm or partnership outside of the ordinary course of its business, nor shall it invest in, lend money to, guarantee or assume the indebtedness of any person, firm or corporation otherwise than by way of credit or advances in the ordinary course of its business in respect of goods or services required or provided by it; it shall not enter into any transaction whereby all or a substantial part of its undertaking, property and assets become the property of any other person, firm or corporation; it shall not, without the prior written consent of the Secured Party, increase, reduce, change, classify or reclassify its authorized or issued capital or issue any additional shares thereof; and it shall not without the prior written consent of the Secured Party, purchase, redeem, acquire or retire any of its shares;
- (m) not, without first obtaining the written consent of the Secured Party, change its name or its fiscal year or effect a material change in the nature and character of its business;
- (n) at all times, keep the Secured Party fully informed and advised of any and all communications and discussions with potential investors in, or purchasers of assets in, the business and/or assets of any Debtor;
- (o) keep current at all times, all remittances required to be made by it for taxes owed to federal, provincial and municipal governments, including, without limitation, monies owed in respect of source deductions for contributions pursuant to the Canada Pension Plan, *Unemployment Insurance Act (Canada)* and *Income Tax Act (Canada)*, and in respect of goods and services tax and retail sales tax, and each Borrower shall upon request provide evidence of such payments satisfactory to the Secured Party; and

- (p) in all other respects comply with each of the provisions of the Credit Agreement, the Security and the Additional Security.

7. Default

All of the Debtors shall be deemed to be in default hereunder ("**Default**") if:

- (a) any representation or warranty of any of the Debtors in this Agreement is at the date hereof, or shall at any time after the date hereof, become untrue, inaccurate or incomplete in any respect;
- (b) any of the Debtors breach or default in performing, complying with or fulfilling any covenant, agreement, undertaking, condition or obligation in, under or pursuant to this Agreement;
- (c) there occurs at any time default under any one or more of the provisions of the Credit Agreement, any of the Security or any of the Additional Security;
- (d) any condition, step, act or thing required to be completed, performed, fulfilled, executed or delivered by any of the Debtors under this Agreement shall not be so completed, performed, fulfilled, executed or delivered as, when and in the form required by the Secured Party, in its sole and unfettered discretion, or stipulated hereunder;
- (e) there occurs at any time default in the payment or performance of any of the Debtors' Obligations as and when they fall due; or
- (f) if any of the Debtors, other than as provided hereunder, or without the consent of the Secured Party, applies for, consents to, or acquiesces in, the appointment of a trustee, receiver or other custodian for such Debtor or any property thereof, or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for such Debtor or for any property thereof, or if any of the Debtors makes a general assignment for the benefit of creditors, or if a bankruptcy, insolvency, reorganization, readjustment, arrangement, composition, moratorium or other case or proceeding seeking similar relief, or any dissolution, liquidation or winding-up proceeding, under any bankruptcy, insolvency, moratorium, corporate or other analogous law or provision is commenced in respect of any of the Debtors or any property thereof, or, if such case or proceeding is not commenced by any of the Debtors, is consented to or acquiesced in by such Debtor or if any of the Debtors takes any corporate or other action to authorize, or in furtherance of, any of the foregoing.

8. Termination of Forbearance Period

In the sole absolute discretion of the Secured Party, upon the occurrence of any Default at any time during the Forbearance Period, or upon the expiration of the Forbearance Period:

- (a) all of the Obligations, including without limitation all of the Indebtedness and all other amounts payable hereunder including any amounts incurred or arising

pursuant to or in respect of the Credit Agreement, shall become immediately due and payable without further notice, presentment, demand or request;

- (b) any or all of the rights and remedies available to the Secured Party under the Credit Agreement or any of the Security or Additional Security may be immediately exercised; and
- (c) each of the Debtors shall forthwith perform and make payment in full of all of the Debtors' Obligations which remain outstanding at that time, including without limitation all of the Indebtedness, together with accrued and accruing interest thereon and costs and expenses related thereto, without any further notice, presentment, demand or request for payment, failing which each of the Borrower and the Guarantors hereby consent to the immediate enforcement by the Secured Party of all of the Security and Additional Security to which they are a party, including without limitation, the appointment of a trustee in bankruptcy, the appointment of an agent, a receiver, a manager and/or a receiver and manager, as the Secured Party may see fit in its sole absolute discretion without any further notice, presentment, demand or request for payment and each of the Borrower and the Guarantors hereby further agrees to assign any or all of the Borrower and the Guarantors into bankruptcy or to consent to the making of an interim or final receiving order against any or all of the Borrower and the Guarantors if so requested by the Secured Party;

Provided that no forbearance on the part of the Secured Party with respect to any occurrence of any Default or default herein specified will constitute or be deemed or implied to be a waiver by the Secured Party of such default or any other, subsequent or similar default.

9. Release

The Borrower and the Guarantors hereby jointly and severally release and discharge the Secured Party and its directors, officers, employees and agents, from and against all claims and demands that they may have against the Secured Party arising to the date hereof out of any action or omission of the Secured Party or for any other reason whatsoever.

10. General

(a) Schedules

The following schedules are hereby incorporated into and form part of this Agreement:

Schedule "A" – List of Security

(b) Other Agreements

In the event of an inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement, the Security and the Additional Security, the provisions of this Agreement shall govern and prevail, provided that, to the extent that either this Agreement or the Credit Agreement, Security and Additional Security is silent in respect of any particular matter or issue, the Credit Agreement, Security and Additional Security or this Agreement, as the case may

be, shall govern with respect to such matter or issue. Subject to the foregoing, this Agreement constitutes the entire agreement between the Secured Party and the Debtors with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein. No modification or amendment of any provision of this Agreement shall in any event be effective, unless the same shall be in writing and duly executed by the parties hereto or thereto and then such modification or amendment shall be effective only in the specific instance and for the purpose for which it was given.

(c) **Waiver**

Any breach by any of the Debtors of any of the provisions contained in this Agreement, the Credit Agreement, any of the Security or the Additional Security or any default by such Debtor in the observance or performance of any covenant or condition required to be observed or performed by such Debtor hereunder or thereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party will extend to or be taken in any manner to affect any subsequent, other or similar breach or default or the rights resulting therefrom.

(d) **Rights Cumulative**

All rights and remedies of the Secured Party set out in this Agreement, the Credit Agreement or any Security or Additional Security shall be cumulative and no such right or remedy contained herein or therein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or therein. The taking of a judgment or judgments with respect to any of the Obligations will not operate as a merger of any of the covenants or representations contained in this Agreement, the Credit Agreement or any Security or Additional Security.

(e) **Powers of Attorney**

Each of the Debtors hereby irrevocably appoints the Secured Party and any person designated by the Secured Party to sign, execute or do any acts, deeds, documents, mortgages, transfers, demands, assignments, consents or assurances that such Debtor is obliged to sign, execute or do hereunder or under any of the Credit Agreement, the Security or Additional Security and to commence, continue or defend any proceedings authorized to be taken hereunder or thereunder and generally to use the name of such Debtor in the exercise of all or any of the powers hereby or thereby conferred on the Secured Party.

(f) **Further Assurances**

Each of the Debtors will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, documents, instruments, mortgages, transfers, demands, assignments, consents and assurances as the Secured Party may reasonably require for the purpose of accomplishing and effecting the intention of this Agreement, the Credit

Agreement and the Security and Additional Security and perfecting all security interests granted by the Security and the Additional Security.

(g) Notice

Any demand, notice or other communication from the Secured Party to any of the Debtors in connection with this Agreement will be deemed to be made, given and received:

- (i) if mailed by prepaid registered mail addressed to such Debtor at the address for notice set forth on the signature page hereof, on the day following the day on which it was mailed, during a period of uninterrupted mail service, whether or not the same be returned undelivered; or
- (ii) if delivered to such Debtor at, or sent by prepaid courier service to the address for notice set forth on the signature page hereof, or personally served upon any director, officer, servant, employee or partner of such Debtor, if applicable, at the time of such delivery or service, or
- (iii) if sent prepaid by telecopier, telefax, electronic mail or other similar means of electronic communication, to the number set forth on the signature page hereof or where such Debtor has the facilities to receive such communication, provided that a copy thereof is sent on the same day by prepaid mail, at the time of such sending.

(h) Binding Effect and Assignments

This Agreement shall be binding on each of the Debtors and its successors upon the execution hereof by such Debtor, notwithstanding that any other party or parties hereto have not executed this Agreement, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtors shall not assign any rights or obligations hereunder without the Secured Party's prior written consent. The Secured Party may in its absolute discretion assign any and all of its rights and/or obligations under this Agreement and may transfer the Security to any corporation or other entity.

(i) Severability

If any provision hereof is held to be illegal, invalid or unenforceable in any jurisdiction, such provision shall be deemed to be severed from the remainder of this Agreement with respect only to such jurisdiction and the remaining provisions of this Agreement shall not be affected thereby and shall continue in full force and effect.

(j) Interpretation

All grammatical changes in gender, tense and number required to give meaning to any provision herein shall be deemed to be made. References to "this Agreement", "hereof", "herein", "hereto" and like references are to this Agreement and not to any particular article, section or other subdivision of this Agreement. The insertion of headings in this Agreement is for convenience of

reference only and will not affect the construction or interpretation of this Agreement. Unless otherwise specified herein, all statements of or reference to dollar amounts in this Agreement will mean lawful money of Canada.

(k) **Governing Law**

This Agreement and all documents delivered pursuant hereto shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the Debtors hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of British Columbia.

(l) **Time**

Time will in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.

(m) **Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall constitute an original and binding agreement as and when so executed.

(n) **Receipt of Copy**

Each of the Debtors hereby acknowledges having received a signed copy of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF each of the parties has executed this Agreement on the date first above written.

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR) LP, by its general partner, SPROTT RESOURCE LENDING CORP.

Per: _____
Name: *Jim Grosdanis* Managing Partner.
Title: *Peter Grosslobl* CEO

THE KAMI MINE LIMITED PARTNERSHIP, by its general partner KAMI GENERAL PARTNER LIMITED

Per: _____
Name:
Title:

ALDERON IRON ORE CORP.

Per: _____
Name:
Title:

KAMI GENERAL PARTNER LIMITED

Per: _____
Name:
Title:

Address for notice to Secured Party:
Suite 2600, 200 Bay Street
Toronto, Ontario, M5J 2J1
Email: jgrosdanis@sprottlending.com

Address for notice to all Debtors:
Suite 1240 – 1140 West Pender Street
Vancouver, BC V6E 4G1
Facsimile: (604) 681-8039
Email: oaasen@alderonironore.com

IN WITNESS WHEREOF each of the parties has executed this Agreement on the date first above written.

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP, by its general partner,
SPROTT RESOURCE LENDING CORP.**

Per: _____
Name:
Title:

**THE KAMI MINE LIMITED PARTNERSHIP,
by its general partner KAMI GENERAL
PARTNER LIMITED**

Per: 
Name: Kate-Lynn Genzel
Title: Chief Financial Officer

ALDERON IRON ORE CORP.

Per: 
Name: Kate-Lynn Genzel
Title: Chief Financial Officer

KAMI GENERAL PARTNER LIMITED

Per: 
Name: Kate-Lynn Genzel
Title: Chief Financial Officer

Address for notice to Secured Party:
Suite 2600, 200 Bay Street
Toronto, Ontario, M5J 2J1
Email: jgrosdanis@sprottlending.com

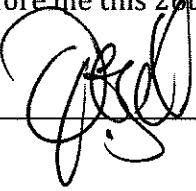
Address for notice to all Debtors:
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Vancouver, BC V6E 4G1
Facsimile: (604) 681-8039
Email: oaasen@alderonironore.com

SCHEDULE "A"

List of Security

1. Promissory note dated July 10, 2018 in the principal amount of US\$14,000,000;
2. Joint and several guarantee of the Guarantors dated July 10, 2018;
3. General security agreement of Alderon dated July 10, 2018;
4. Debenture dated July 10, 2018 granted by the Borrower and Kami GP;
5. Assignment of material contracts dated July 10, 2018 in respect of the Project (as defined in the Credit Agreement).

This is Exhibit "26" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

AMENDED AND RESTATED FORBEARANCE AND EXTENSION AGREEMENT

THIS AGREEMENT made as of the 14th day of February, 2020.

A M O N G :

**SPROTT PRIVATE RESOURCE LENDING
(COLLECTOR), LP**

(the "Secured Party")

- and -

THE KAMI MINE LIMITED PARTNERSHIP

(the "Borrower")

- and -

ALDERON IRON ORE CORP.

("Alderon")

- and -

KAMI GENERAL PARTNER LIMITED

("Kami GP")

(herein Alderon and Kami GP are collectively referred to as the "**Guarantors**" and individually referred to as a "**Guarantor**")

WHEREAS the Secured Party has made available certain credit facilities to the Borrower pursuant to a credit agreement made as of the 20th of June, 2018 (the "**Credit Agreement**");

AND WHEREAS the Borrower and the Guarantors (the Borrower and the Guarantors are herein collectively referred to as the "**Debtors**") have executed and delivered to the Secured Party certain security, guarantees and other documentation (collectively, the "**Security**"), including without limitation, the security listed in **Schedule "A"** hereto, for the purpose of securing the payment and performance of all of the debts, liabilities and obligations, both present and future, of the Debtors to the Secured Party, which may be outstanding from time to time under the Credit Agreement (the "**Debtors' Obligations**");

AND WHEREAS the Borrower and the Guarantors entered into a Forbearance and Extension Agreement dated January 8, 2020 (the "**January Forbearance and Extension Agreement**") for the purpose of, *inter alia*, extending the Maturity Date under the Credit Agreement to February 14, 2020;

AND WHEREAS in connection with the January Forbearance and Extension Agreement the Borrower executed and delivered to the Secured Party as additional security:

- (i) an assignment and pledge of accounts agreement in respect of an account (the "**Pledged Account**") established by the Borrower into which the Borrower deposited not less than US\$1,000,000.00 (the "**Pledged Amount**"); and
- (ii) a blocked account agreement in respect of the Pledged Account.

(collectively, the "**Additional Security**")

AND WHEREAS, as at February 14, 2020 the Borrower is indebted to the Secured Party in the amount of \$14,000,000.00 inclusive of interest (the "**Indebtedness**");

AND WHEREAS all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Secured Party under or in connection with the Credit Agreement and the Security (collectively, the "**Obligations**") were jointly and severally guaranteed by Alderon and Kami GP pursuant to a written guarantee made as of July 10, 2018;

AND WHEREAS the Debtors are in default under the Credit Agreement and Security;

AND WHEREAS the Secured Party has by email dated February 14, 2020 set out certain of the conditions pursuant to which the Secured Party would consider the further forbearance of its rights under the Credit Agreement and the Security in respect of the Indebtedness which is due and payable on February 14, 2020;

AND WHEREAS no payment of the Indebtedness has been received as of the date of this Agreement;

AND WHEREAS each of the Debtors has asked the Secured Party to allow them until close of business on March 31, 2020 to settle their obligations under the Credit Agreement and the Security and to irrevocably pay the Obligations in full, including for certainty, any unpaid and accrued interest and fees outstanding as at the date of such payment, and have further requested the Secured Party's forbearance during this period with respect to certain of the Secured Party's rights and remedies pursuant to the Credit Agreement and Security;

AND WHEREAS the parties hereto have agreed to amend and restate the January Forbearance and Extension Agreement on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, for good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by all parties hereto, the undersigned hereby covenant and agree with each other as follows:

1. Debtors' Acknowledgement

Each of the Debtors hereby confirms, acknowledges and agrees that all of the Security and the Additional Security is fully valid and enforceable by the Secured Party against each party thereto in accordance with its terms unaltered, that the Borrower is in default under the Credit Agreement and Security and that the Secured Party is entitled to exercise all of its rights and remedies thereunder and under the Additional Security. Each of the Debtors hereby further acknowledges and agrees that the Secured Party has provided reasonable notice to each of the Debtors in respect of the exercise of all such rights and remedies and that, save for any notices required pursuant to legislation relating to insolvency proceedings, and specifically including the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *Winding-Up and Restructuring Act (Canada)*, no further notice(s) shall be required prior to such exercise at any time in the future. To the extent permitted by law, each of the Debtors hereby waives any and all defenses and claims against the Secured Party in connection with the exercise of the said rights and remedies by or on behalf of the Secured Party.

2. Debtors' Representations

Each of the Debtors hereby jointly and severally represents and warrants to the Secured Party, specifically acknowledging that the Secured Party is relying upon all of such representations and warranties in entering into this Agreement, as follows:

- (a) each of the recitals to this Agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;
- (b) the Debtors have disclosed to the Secured Party all information concerning the Borrower and each Guarantor and their respective businesses, assets and financial condition to the date hereof that may be relevant or material to the Secured Party and all of the books and records of the Borrower and the Guarantors provided as of the date hereof to the Secured Party are true, accurate and complete in all respects;
- (c) none of the Debtors is aware of any fact, event, circumstance or condition relating to any of the Debtors that may cause the Secured Party, as a reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (d) all corporate action necessary for the authorization, execution, delivery and performance of this Agreement by the Borrower has been duly authorized and taken; and
- (e) this Agreement, when duly executed and delivered by the Debtors will constitute a legal, valid and binding obligation, enforceable against each of the Debtors in accordance with its terms.

3. Forbearance and Interest Deferral

- (a) Except as otherwise specifically provided herein, the Secured Party hereby covenants and agrees to refrain, during the Forbearance Period, from further

enforcing its rights and remedies whether under the Credit Agreement, the Security, the Additional Security or otherwise. In this Agreement, "**Forbearance Period**" shall mean the period commencing upon the execution and delivery of this Agreement, the Additional Security and any applicable documents in the form attached hereto as Schedules by the Secured Party and all of the Debtors and ending, subject to the provisions of this Section 3, upon the earlier of close of business on March 31, 2020 and the termination of the Forbearance Period by the Secured Party in accordance with this Agreement. Upon and after the expiration or termination of the Forbearance Period, the Secured Party shall have no obligations whatsoever pursuant to this Agreement but in all other respects this Agreement and all of the obligations of the Debtors hereunder shall survive and continue in full force and effect. The Secured Party may consider, in its sole and unfettered discretion, extending the term of the Forbearance Period if and only if the Borrower has: (a) provided the Secured Party with an offer from a third party satisfactory to the Secured Party to purchase the Secured Party's Security or such security as is capable of being assigned and transferred by the Secured Party on terms and in form and substance satisfactory in all respects to the Secured Party; or (b) provided the Secured Party with such offer to repay the Debtors' outstanding Indebtedness on terms and conditions satisfactory in all respects to the Secured Party.

- (b) The Secured Party agrees that the interest payable by the Borrower pursuant to the terms of the Credit Agreement, on February 29, 2020 ("**Interest Payment Date**"), will as of such date be deferred and be added to the principal amount of the Credit Agreement and treated as principal thereunder and hereunder and will thereafter be due and payable by the Borrower on the Maturity Date.

4. No Waiver

None of the covenants and agreements of the Secured Party in this Agreement, nor the performance thereof at any time, shall constitute, or be deemed or implied to be, a waiver by the Secured Party of any default, either hereunder or under the Credit Agreement, the Security or the Additional Security, that has occurred to the date hereof or any other subsequent or similar default.

5. Borrower's Specific Covenants

The Borrower covenants and agrees with the Secured Party, and acknowledges that the Secured Party is relying upon all of such covenants and agreements in entering into this Agreement, which covenants shall be separate and cumulative and in addition to all other covenants in this Agreement, that:

- (a) the Debtors shall, on a consolidated basis and as determined by reference to the previously filed reports and the consolidated monthly reports referred to in Section 7.1(k) of the Credit Agreement, at all times maintain a positive amount of Working Capital (as defined in the Credit Agreement, but without reference to or inclusion of the Pledged Amount);
- (b) the Debtors shall, no later than February 28, 2020, pay to the Her Majesty The Queen in Right of the Province of Newfoundland and Labrador and provide the Secured Party with evidence of such payment, the full amount owing (in the

approximate amount of CDN \$175,000.00) in respect of the annual maintenance payment for (i) Government of Newfoundland and Labrador, Department of Natural Resources Surface Lease #142 issued February 17, 2014 and (ii) Government of Newfoundland and Labrador, Department of Natural Resources Surface Lease #234 (15980M) issued February 17, 2014;

- (c) the Borrower shall, concurrently with the execution and delivery of this Agreement, pay to the Secured Party a forbearance fee in the amount of US\$420,000.00, which shall be paid by adding US\$420,000.00 to the principal amount of the Credit Agreement (increasing the aggregate principal amount thereunder and hereunder to US\$14,420,000.00 effective on the date hereof) and which shall be treated as principal thereunder and hereunder and will thereafter be due and payable by the Borrower on the Maturity Date.

6. Debtors' General Covenants

Subject to the terms of this Agreement, each of the Debtors hereby further jointly and severally covenants and agrees with the Secured Party, and acknowledges that the Secured Party is relying upon all of such covenants and agreements in entering into this Agreement, which covenants shall be separate and cumulative and in addition to all other covenants in this Agreement, that at all times from and after the date hereof and until the payment and performance of all of the Obligations in full, each of the Borrower and the Guarantors shall ensure and guarantee that the Borrower and each Guarantor shall:

- (a) not permit any loan, facility, guarantee, letter of credit, advance or other financing or amount provided by the Secured Party to or on behalf of the Debtors or any of them, whether prior to, on or after the date hereof, from being paid or issued to or on behalf of or used by any person or entity other than the Borrower;
- (b) not provide any financial assistance or make any payment or transfer any asset to any person not at arm's length (within the meaning of the *Income Tax Act* (Canada)) with the Debtors;
- (c) pay or cause to be paid, and shall indemnify and save the Secured Party harmless against, all reasonable fees, costs and expenses (including legal fees on a solicitor and client basis) incurred with respect to: the monitoring of the Debtors by the Secured Party and its agents from the date hereof; advice to the Secured Party in respect of the Indebtedness and in the preparation and execution of, and any amendment to, the Credit Agreement and all other documentation required hereunder or under the Credit Agreement, the Security or the Additional Security, and any financing statements, financing change statements and notices of security interest filed with respect thereto; the exercising of any or all of the rights, remedies and powers of the Secured Party under this Agreement, the Credit Agreement, the Security or the Additional Security; the taking, recovering or possessing of any or all of the assets of the Debtors, and of any other proceedings taken for the purpose of enforcing the remedies provided herein or therein or by reason of non-payment of the Obligations, including without limitation the appointment of an agent, a receiver, a manager and/or a receiver and manager (whether by court order or private appointment); and all other reasonable fees, costs, expenses and interest obligations constituting the Obligations, as they accrue; and all of the foregoing

amounts shall bear interest at an annual rate equal to the highest rate borne by any of the Obligations and shall be payable on demand;

- (d) pay or cause to be paid to the Secured Party when due any and all amounts required by this Agreement, the Credit Agreement, the Security or the Additional Security to be paid to the Secured Party;
- (e) maintain and preserve all of its property, assets and undertaking in good condition and repair, and maintain in good standing all of its insurance policies as required by the Secured Party under the Credit Agreement, the Security or the Additional Security and otherwise from time to time;
- (f) refrain from declaring any dividends, granting any bonuses or salary increases, or making any capital expenditures, except with the Secured Party's prior written consent;
- (g) perform all of its obligations under any and all leases, licences and other agreements to which it is a party in order to preserve and protect its assets and the income therefrom and will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice so as to preserve and protect the earnings, income, rents, issues and profits thereof;
- (h) permit the Secured Party and any representative of the Secured Party, at any time, to inspect its plant, machinery, equipment, inventory, stock-in-trade and its operations and for that purpose to enter its premises and any other location where any of its assets may be situated;
- (i) keep proper books of account and records covering all its business and affairs on a current basis in accordance with generally accepted accounting principles consistently applied and shall deliver financial statements to the Secured Party from time to time as required by the Secured Party; prepare and file all tax returns in a timely manner; permit the Secured Party and any representative of the Secured Party at any time to inspect its books of account, records and documents, to make copies and summaries thereof and to make enquiries and tests for the purpose of verification thereof; provide the Secured Party with all reports as required by the Secured Party, including reports on all sales, purchases, receipts, deposits, payments, contracts or agreements which have been made or may be made by it or on its behalf;
- (j) at all times maintain its corporate existence and take all prudent action necessary or desirable to preserve and protect all of the rights, powers, privileges and goodwill owned by it;
- (k) refrain from changing its principal place of business, or the location of any of its assets, or the location of the office where it keeps its corporate records or records respecting its accounts receivable, or acquiring any other places of business;
- (l) not, without first obtaining the written consent of the Secured Party, consolidate, amalgamate or merge with any other corporation or acquire the shares of any

corporation, firm or partnership or acquire the assets of any corporation, firm or partnership outside of the ordinary course of its business, nor shall it invest in, lend money to, guarantee or assume the indebtedness of any person, firm or corporation otherwise than by way of credit or advances in the ordinary course of its business in respect of goods or services required or provided by it; it shall not enter into any transaction whereby all or a substantial part of its undertaking, property and assets become the property of any other person, firm or corporation; it shall not, without the prior written consent of the Secured Party, increase, reduce, change, classify or reclassify its authorized or issued capital or issue any additional shares thereof; and it shall not without the prior written consent of the Secured Party, purchase, redeem, acquire or retire any of its shares;

- (m) not, without first obtaining the written consent of the Secured Party, change its name or its fiscal year or effect a material change in the nature and character of its business;
- (n) at all times, keep the Secured Party fully informed and advised of any and all communications and discussions with potential investors in, or purchasers of assets in, the business and/or assets of any Debtor;
- (o) keep current at all times, all remittances required to be made by it for taxes owed to federal, provincial and municipal governments, including, without limitation, monies owed in respect of source deductions for contributions pursuant to the Canada Pension Plan, *Unemployment Insurance Act (Canada)* and *Income Tax Act (Canada)*, and in respect of goods and services tax and retail sales tax, and each Borrower shall upon request provide evidence of such payments satisfactory to the Secured Party; and
- (p) in all other respects comply with each of the provisions of the Credit Agreement, the Security and the Additional Security.

7.

Default

All of the Debtors shall be deemed to be in default hereunder ("Default") if:

- (a) any representation or warranty of any of the Debtors in this Agreement is at the date hereof, or shall at any time after the date hereof, become untrue, inaccurate or incomplete in any respect;
- (b) any of the Debtors breach or default in performing, complying with or fulfilling any covenant, agreement, undertaking, condition or obligation in, under or pursuant to this Agreement;
- (c) there occurs at any time default under any one or more of the provisions of the Credit Agreement, any of the Security or any of the Additional Security;
- (d) any condition, step, act or thing required to be completed, performed, fulfilled, executed or delivered by any of the Debtors under this Agreement shall not be so completed, performed, fulfilled, executed or delivered as, when and in the form

required by the Secured Party, in its sole and unfettered discretion, or stipulated hereunder;

- (e) there occurs at any time default in the payment or performance of any of the Debtors' Obligations as and when they fall due; or
- (f) if any of the Debtors, other than as provided hereunder, or without the consent of the Secured Party, applies for, consents to, or acquiesces in, the appointment of a trustee, receiver or other custodian for such Debtor or any property thereof, or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for such Debtor or for any property thereof, or if any of the Debtors makes a general assignment for the benefit of creditors, or if a bankruptcy, insolvency, reorganization, readjustment, arrangement, composition, moratorium or other case or proceeding seeking similar relief, or any dissolution, liquidation or winding-up proceeding, under any bankruptcy, insolvency, moratorium, corporate or other analogous law or provision is commenced in respect of any of the Debtors or any property thereof, or, if such case or proceeding is not commenced by any of the Debtors, is consented to or acquiesced in by such Debtor or if any of the Debtors takes any corporate or other action to authorize, or in furtherance of, any of the foregoing.

8. Termination of Forbearance Period

In the sole absolute discretion of the Secured Party, upon the occurrence of any Default at any time during the Forbearance Period, or upon the expiration of the Forbearance Period:

- (a) all of the Obligations, including without limitation all of the Indebtedness and all other amounts payable hereunder including any amounts incurred or arising pursuant to or in respect of the Credit Agreement, shall become immediately due and payable without further notice, presentment, demand or request;
- (b) any or all of the rights and remedies available to the Secured Party under the Credit Agreement or any of the Security or Additional Security may be immediately exercised; and
- (c) each of the Debtors shall forthwith perform and make payment in full of all of the Debtors' Obligations which remain outstanding at that time, including without limitation all of the Indebtedness, together with accrued and accruing interest thereon and costs and expenses related thereto, without any further notice, presentment, demand or request for payment, failing which each of the Borrower and the Guarantors hereby consent to the immediate enforcement by the Secured Party of all of the Security and Additional Security to which they are a party, including without limitation, the appointment of a trustee in bankruptcy, the appointment of an agent, a receiver, a manager and/or a receiver and manager, as the Secured Party may see fit in its sole absolute discretion without any further notice, presentment, demand or request for payment and each of the Borrower and the Guarantors hereby further agrees to assign any or all of the Borrower and the Guarantors into bankruptcy or to consent to the making of an interim or final receiving order against any or all of the Borrower and the Guarantors if so requested by the Secured Party;

Provided that no forbearance on the part of the Secured Party with respect to any occurrence of any Default or default herein specified will constitute or be deemed or implied to be a waiver by the Secured Party of such default or any other, subsequent or similar default.

9. **Release**

The Borrower and the Guarantors hereby jointly and severally release and discharge the Secured Party and its directors, officers, employees and agents, from and against all claims and demands that they may have against the Secured Party arising to the date hereof out of any action or omission of the Secured Party or for any other reason whatsoever.

10. **General**

(a) Schedules

The following schedules are hereby incorporated into and form part of this Agreement:

Schedule "A" – List of Security

(b) Other Agreements

In the event of an inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement, the Security and the Additional Security, the provisions of this Agreement shall govern and prevail, provided that, to the extent that either this Agreement or the Credit Agreement, Security and Additional Security is silent in respect of any particular matter or issue, the Credit Agreement, Security and Additional Security or this Agreement, as the case may be, shall govern with respect to such matter or issue. Subject to the foregoing, this Agreement constitutes the entire agreement between the Secured Party and the Debtors with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein. No modification or amendment of any provision of this Agreement shall in any event be effective, unless the same shall be in writing and duly executed by the parties hereto or thereto and then such modification or amendment shall be effective only in the specific instance and for the purpose for which it was given.

(c) Waiver

Any breach by any of the Debtors of any of the provisions contained in this Agreement, the Credit Agreement, any of the Security or the Additional Security or any default by such Debtor in the observance or performance of any covenant or condition required to be observed or performed by such Debtor hereunder or thereunder, may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party will extend to or be taken in any manner to affect any subsequent, other or similar breach or default or the rights resulting therefrom.

(d) Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement, the Credit Agreement or any Security or Additional Security shall be cumulative and no such right or remedy contained herein or therein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or therein. The taking of a judgment or judgments with respect to any of the Obligations will not operate as a merger of any of the covenants or representations contained in this Agreement, the Credit Agreement or any Security or Additional Security.

(e) Powers of Attorney

Each of the Debtors hereby irrevocably appoints the Secured Party and any person designated by the Secured Party to sign, execute or do any acts, deeds, documents, mortgages, transfers, demands, assignments, consents or assurances that such Debtor is obliged to sign, execute or do hereunder or under any of the Credit Agreement, the Security or Additional Security and to commence, continue or defend any proceedings authorized to be taken hereunder or thereunder and generally to use the name of such Debtor in the exercise of all or any of the powers hereby or thereby conferred on the Secured Party.

(f) Further Assurances

Each of the Debtors will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, documents, instruments, mortgages, transfers, demands, assignments, consents and assurances as the Secured Party may reasonably require for the purpose of accomplishing and effecting the intention of this Agreement, the Credit Agreement and the Security and Additional Security and perfecting all security interests granted by the Security and the Additional Security.

(g) Notice

Any demand, notice or other communication from the Secured Party to any of the Debtors in connection with this Agreement will be deemed to be made, given and received:

- (i) if mailed by prepaid registered mail addressed to such Debtor at the address for notice set forth on the signature page hereof, on the day following the day on which it was mailed, during a period of uninterrupted mail service, whether or not the same be returned undelivered; or
- (ii) if delivered to such Debtor at, or sent by prepaid courier service to the address for notice set forth on the signature page hereof, or personally served upon any director, officer, servant, employee or partner of such Debtor, if applicable, at the time of such delivery or service, or
- (iii) if sent prepaid by telecopier, telefax, electronic mail or other similar means of electronic communication, to the number set forth on the signature page hereof or where such Debtor has the facilities to receive such communication, provided that a copy thereof is sent on the same day by prepaid mail, at the time of such sending.

(h) **Binding Effect and Assignments**

This Agreement shall be binding on each of the Debtors and its successors upon the execution hereof by such Debtor, notwithstanding that any other party or parties hereto have not executed this Agreement, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtors shall not assign any rights or obligations hereunder without the Secured Party's prior written consent. The Secured Party may in its absolute discretion assign any and all of its rights and/or obligations under this Agreement and may transfer the Security to any corporation or other entity.

(i) **Severability**

If any provision hereof is held to be illegal, invalid or unenforceable in any jurisdiction, such provision shall be deemed to be severed from the remainder of this Agreement with respect only to such jurisdiction and the remaining provisions of this Agreement shall not be affected thereby and shall continue in full force and effect.

(j) **Interpretation**

All grammatical changes in gender, tense and number required to give meaning to any provision herein shall be deemed to be made. References to "this Agreement", "hereof", "herein", "hereto" and like references are to this Agreement and not to any particular article, section or other subdivision of this Agreement. The insertion of headings in this Agreement is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless otherwise specified herein, all statements of or reference to dollar amounts in this Agreement will mean lawful money of Canada. Initially capitalized terms used in this Agreement but not defined herein have the meaning given to such terms in the Credit Agreement.

(k) **Governing Law**

This Agreement and all documents delivered pursuant hereto shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the Debtors hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of British Columbia.

(l) **Time**

Time will in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.

(m) **Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall constitute an original and binding agreement as and when so executed.

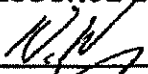
(n) Receipt of Copy

Each of the Debtors hereby acknowledges having received a signed copy of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF each of the parties has executed this Agreement on the date first above written.

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, by its general partner, SPROTT RESOURCE LENDING CORP.

Per: 
Name: Navinder Nagra
Title: Managing Partner

THE KAMI MINE LIMITED PARTNERSHIP, by its general partner KAMI GENERAL PARTNER LIMITED

Per: _____
Name:
Title:

ALDERON IRON ORE CORP.

Per: _____
Name:
Title:

KAMI GENERAL PARTNER LIMITED

Per: _____
Name:
Title:

Address for notice to Secured Party:
Suite 2600, 200 Bay Street
Toronto, Ontario, M5J 2J1
Email: jgrosdanis@sprottlending.com

Address for notice to all Debtors:
Suite 1240 – 1140 West Pender Street
Vancouver, BC V6E 4G1
Facsimile: (604) 681-8039
Email: oaasen@alderonironore.com

IN WITNESS WHEREOF each of the parties has executed this Agreement on the date first above written.

SPROTT PRIVATE RESOURCE LENDING (COLLECTOR), LP, by its general partner, SPROTT RESOURCE LENDING CORP.

Per: _____
Name:
Title:

THE KAMI MINE LIMITED PARTNERSHIP, by its general partner KAMI GENERAL PARTNER LIMITED

Per: 
Name: Tayfun Eldem
Title: President

AL

Per: 
Name: Tayfun Eldem
Title: President & CEO

KAMI GENERAL PARTNER LIMITED

Per: 
Name: Tayfun Eldem
Title: President

Address for notice to Secured Party:
Suite 2600, 200 Bay Street
Toronto, Ontario, M5J 2J1
Email: jgrosdanis@sprottlending.com

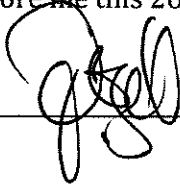
Address for notice to all Debtors:
Suite 1240 – 1140 West Pender Street
Vancouver, BC V6E 4G1
Facsimile: (604) 681-8039
Email: oaasen@alderonironore.com

SCHEDULE "A"

List of Security

1. Promissory note dated July 10, 2018 in the principal amount of US\$14,000,000;
2. Joint and several guarantee of the Guarantors dated July 10, 2018;
3. General security agreement of Alderon dated July 10, 2018;
4. Debenture dated July 10, 2018 granted by the Borrower and Kami GP;
5. Assignment of material contracts dated July 10, 2018 in respect of the Project (as defined in the Credit Agreement).
6. Assignment and Pledge of Accounts Agreement dated January 8, 2020 executed by the Borrower.
7. Blocked Account Agreement dated January 8, 2020 between Bank of Montreal, the Borrower and the Secured Party.

This is Exhibit "27" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460



Gary Rose
 gary.rose@dentons.com
 D +1 403 266 8075 / 804 691 8410

Dentons Canada LLP
 15th Floor, Bankers Court
 850 2nd Street SW
 Calgary, AB, Canada T2P 0R8

dentons.com

April 24, 2020

PRIVATE & CONFIDENTIAL
DELIVERED VIA FAX (604)-681-8039
DELIVERED VIA EMAIL: OAASEN@ALDERONIRONORE.COM

The Kami Limited Partnership

1240 – 1140 West Pender Street
 Vancouver, B.C., Canada V6E 4G1

Attention: Chief Executive Officer

RE: Obligations of The Kami Limited Partnership (the "Debtor") to Sprott Private Resource Lending (Collector) LP (the "Lender")

We are counsel to the Lender in connection with a Credit Agreement dated June 20, 2018 and a Promissory Note dated July 10, 2018, as amended by a Forbearance and Extension Agreement dated January 8, 2020 and an Amended and Restated Forbearance Extension Agreement dated February 14, 2020 (collectively, and as amended, the "Credit Documents").

Reference is also made to:

- a Debenture dated July 10, 2018;
- an Assignment of Material Contracts dated July 10, 2018;
- an Assignment and Pledge of Accounts agreement dated January 8, 2020; and
- a Blocked Account Agreement dated January 8, 2020;

(collectively, and together with such other security as may be held by the Lender, the "Security", and the Security collectively with the Credit Documents are the "Loan Documents").

Pursuant to the Credit Documents, as of April 24, 2020 the Debtor is indebted to the Lender as follows (all figures are in USD):

Original Principal	\$14,000,000.00
Capitalized Interest	\$329,199.84
Total Principal Outstanding	\$14,329,199.84

Fee Outstanding	\$420,000.00
Capitalized Interest	\$8,336.07
Total Fee Outstanding	\$428,336.07

Total Amounts Outstanding **\$14,767,635.91, plus all interest costs (including legal costs), and fees**

The Debtor is in default of the Loan Documents, including but not limited to by virtue of failing to make repayment of all amounts owing to the Lender by March 31, 2020. For clarity, the foregoing is not an exhaustive list of all defaults committed by the Debtor and the Lender does not waive any defaults and reserves the right to exercise all remedies available to it under the Loan Documents or otherwise at law.

Accordingly, demand is hereby made on the Debtor for payment of all amounts owing to the Lender pursuant to the Loan Documents which, as of April 24, 2020, equals USD\$14,767,635.91 plus all interest costs (including legal costs), and fees, all of which continue to accrue (the "indebtedness").

The indebtedness will continue to accrue interest at the agreed rates and to accrue costs and fees, all of which the Debtor is responsible for, until payment of all amounts owing is received. Payment may be made by providing either a certified cheque or bank draft to the following address:

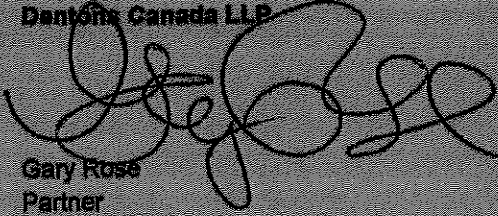
Sprott Private Resource Lending (Collector) LP
c/o Dentons Canada LLP, in Trust
1600-850 2 Street SW
Calgary, AB T2P 0R8
Attention: Gary Rose

If full payment as set forth above is not received by close of business May 4, 2020 our client will take whatever steps it deems appropriate to seek repayment of such amounts. To this end we enclose for service upon the Debtor a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If the Debtor is prepared to waive the ten day notice period, please provide the Debtor's consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Please note that the Lender reserves its rights to proceed against the Debtor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,
Dentons Canada LLP



Gary Rose
Partner

Enclosure

FORM 86

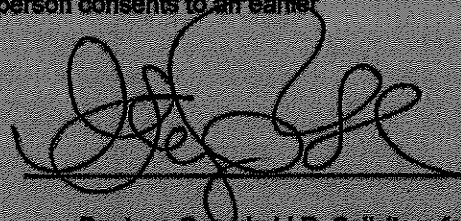
**Notice of Intention to Enforce a Security
(Rule 124)**

To: The Kami Limited Partnership, an insolvent person

Take notice that:

1. Sprott Private Resource Lending (Collector) LP, a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - all of the insolvent person's present and after-acquired property and all proceeds thereof;
 - all of the insolvent person's real property; and
 - all other property of the insolvent person.
2. The security that is to be enforced is the following:
 - a Debenture dated July 10, 2018;
 - an Assignment of Material Contracts dated July 10, 2018;
 - an Assignment and Pledge of Accounts agreement dated January 8, 2020; and
 - a Blocked Account Agreement dated January 8, 2020.
3. The total amount of indebtedness secured by the security is, as of April 24, 2020, USD\$14,757,535.91 plus all interest, costs (including legal costs), and fees, all of which continue to accrue.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 24th day of April, 2020.



**Dentons Canada LLP, Solicitors for
Sprott Private Resource Lending (Collector) LP**

Per: Gary Rose

CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

DATED this _____ day of _____, 2020.

The Kami Limited Partnership, by its managing
general partner, Kami General Partner Limited

Per: _____

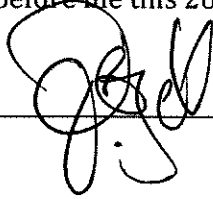
Authorized Signatory

Name:

Title:

I have authority to bind the partnership.

This is Exhibit "28" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

April 24, 2020

File No.: 575610-5

PRIVATE & CONFIDENTIAL
DELIVERED VIA FAX (604)-681-8039
DELIVERED VIA EMAIL: OAASEN@ALDERONIRONORE.COM

Kami General Partner Limited

1240 – 1140 West Pender Street
Vancouver, B.C., Canada V6E 4G1

Attention: Chief Executive Officer

RE: Guarantees of the Obligations of The Kami Limited Partnership (the "Borrower") provided to Sprott Private Resource Lending (Collector) LP (the "Lender") by Kami General Partner Limited (the "Guarantor")

We are counsel to the Lender in connection with the credit facilities outstanding between the Borrower and the Lender, including a Credit Agreement dated June 20, 2018 and a Promissory Note dated July 10, 2018, as amended by a Forbearance and Extension Agreement dated January 8, 2020 and an Amended and Restated Forbearance Extension Agreement dated February 14, 2020 (collectively, and as amended, the "Credit Documents").

Reference is made to the guarantee provided to the Lender by the Guarantor dated July 10, 2018, as amended by a Forbearance and Extension Agreement dated January 8, 2020 and an Amended and Restated Forbearance Extension Agreement dated February 14, 2020 (as amended, the "Guarantee").

Reference is further made to:

- a Debenture dated July 10, 2018; and
- an Assignment of Material Contracts dated July 10, 2018;

(collectively, the "Guarantor Security").

The Borrower is in default of the Credit Documents and related security. As of April 24, 2020, the Borrower is indebted to the Lender in the sum of USD\$14,757,535.91 plus all interest, costs (including legal costs), and fees, all of which continue to accrue (the "Loan Indebtedness"). Please note that the Loan Indebtedness will continue to accrue interest at the rates agreed and to accrue costs until payment of all amounts owing is received. Demand has been made on the Borrower for repayment of the Loan Indebtedness.

The Guarantor's obligations under the Guarantee are payable on demand by the Lender, and additionally were to be paid in full to the Lender on March 31, 2020. As such, the Guarantor is in default of the

Guarantee and Guarantor Security including, but not limited to, by reason of failing to make required payments to the Lender. For clarity, the foregoing is not an exhaustive list of all defaults committed by the Guarantor and the Lender does not waive any defaults and reserves the right to exercise all remedies available to it under the Guarantee, the Guarantor Security, or otherwise at law.

Pursuant to the Guarantee, demand is hereby made upon you for payment in the sum of USD\$14,767,835.91 plus all interest, costs (including legal costs), and fees.

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing hereunder is received. Payment may be made by providing either a certified cheque or bank draft to the following address:

Sprott Private Resource Lending (Collector) LP
c/o Dentons Canada LLP, in Trust
1500-850 2 Street SW
Calgary, AB T2P 0R8
Attention: Gary Rose

If full payment as set forth above is not received by close of business May 4, 2020 our client will take whatever steps it deems appropriate to seek repayment of such amounts. To this end we enclose for service upon the Guarantor a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act (Canada)*. If the Guarantor is prepared to waive the ten day notice period, please provide the Guarantor's consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Please note that the Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,
Dentons Canada LLP



Gary Rose
Partner

Enclosure

FORM 88

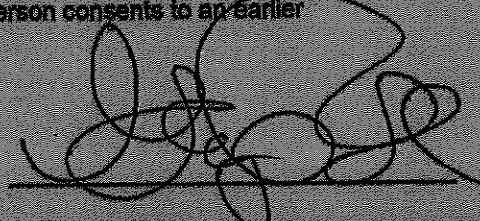
**Notice of Intention to Enforce a Security
(Rule 124)**

To: Kami General Partner Limited, an insolvent person

Take notice that:

1. **Sprott Private Resource Lending (Collector) LP, a secured creditor, intends to enforce its security on the insolvent person's property described below:**
 - **all of the insolvent person's present and after-acquired property and all proceeds thereof;**
 - **all of the insolvent person's real property; and**
 - **all other property of the insolvent person.**
2. **The security that is to be enforced is the following:**
 - **a Debenture dated July 10, 2018; and**
 - **an Assignment of Material Contracts dated July 10, 2018.**
3. **The total amount of indebtedness secured by the security is, as of April 24, 2020, USD\$14,757,535.91 plus all interest, costs (including legal costs), and fees, all of which continue to accrue.**
4. **The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.**

Dated at Calgary, Alberta, this 24th day of April, 2020.



**Dentons Canada LLP, Solicitors for
Sprott Private Resource Lending (Collector) LP**

Per: Gary Rose

CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

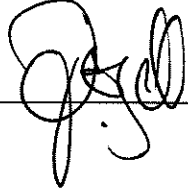
DATED this _____ day of _____, 2020.

Kami General Partner Limited

Per: _____
Authorized Signatory
Name:
Title:

I have authority to bind the corporation.

This is Exhibit "29" to the Affidavit of Narinder Nagra
sworn before me this 26th day of May, 2020



JENNIFER D.S. DEZELL
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

April 28, 2020

File No.: 575610-5

PRIVATE & CONFIDENTIAL
DELIVERED VIA FAX (804)-681-8039
DELIVERED VIA EMAIL: OAASEN@ALDERONIRONORE.COM

Alderon Iron Ore Corp.

1240 – 1140 West Pender Street
Vancouver, B.C., Canada V6E 4G1

Attention: Chief Executive Officer

RE: Guarantees of the Obligations of The Kami Limited Partnership (the "Borrower") provided to Sprott Private Resource Lending (Collector) LP (the "Lender") by Alderon Iron Ore Corp. (the "Guarantor")

We are counsel to the Lender in connection with the credit facilities outstanding between the Borrower and the Lender, including a Credit Agreement dated June 20, 2018 and a Promissory Note dated July 10, 2018, as amended by a Forbearance and Extension Agreement dated January 8, 2020 and an Amended and Restated Forbearance Extension Agreement dated February 14, 2020 (collectively, and as amended, the "Credit Documents").

Reference is made to the guarantee provided to the Lender by the Guarantor dated July 10, 2018, as amended by a Forbearance and Extension Agreement dated January 8, 2020 and an Amended and Restated Forbearance Extension Agreement dated February 14, 2020 (as amended, the "Guarantee").

Reference is further made to:

- a General Security Agreement dated July 10, 2018; and
- an Assignment of Material Contracts dated July 10, 2018;

(collectively, the "Guarantor Security").

The Borrower is in default of the Credit Documents and related security. As of April 24, 2020, the Borrower is indebted to the Lender in the sum of USD\$14,757,535.91 plus all interest, costs (including legal costs), and fees, all of which continue to accrue (the "Loan Indebtedness"). Please note that the Loan Indebtedness will continue to accrue interest at the rates agreed and to accrue costs until payment of all amounts owing is received. Demand has been made on the Borrower for repayment of the Loan Indebtedness.

The Guarantor's obligations under the Guarantee are payable on demand by the Lender, and additionally were to be paid in full to the Lender on March 31, 2020. As such, the Guarantor is in default of the

Guarantee and Guarantor Security including, but not limited to, by reason of failing to make required payments to the Lender. For clarity, the foregoing is not an exhaustive list of all defaults committed by the Guarantor and the Lender does not waive any defaults and reserves the right to exercise all remedies available to it under the Guarantee, the Guarantor Security, or otherwise at law.

Pursuant to the Guarantee, demand is hereby made upon you for payment in the sum of USD\$14,787,535.91 plus all interest, costs (including legal costs), and fees.

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing hereunder is received. Payment may be made by providing either a certified cheque or bank draft to the following address:

Sprott Private Resource Lending (Collector) LP
c/o Dentons Canada LLP, in Trust
1500-850 2 Street SW
Calgary, AB T2P 0R8
Attention: Gary Rose

If full payment as set forth above is not received by close of business May 8, 2020 our client will take whatever steps it deems appropriate to seek repayment of such amounts. To this end we enclose for service upon the Guarantor a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If the Guarantor is prepared to waive the ten day notice period, please provide the Guarantor's consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Please note that the Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,
Dentons Canada LLP



Gary Rose
Partner

Enclosure

FORM 86

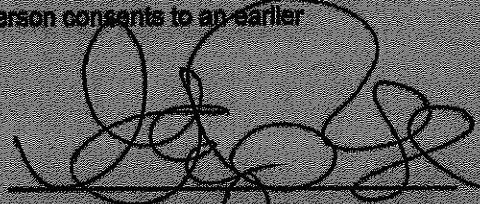
**Notice of Intention to Enforce a Security
(Rule 124)**

To: Alderon Iron Ore Corp., an insolvent person

Take notice that:

1. **Sprott Private Resource Lending (Collector) LP, a secured creditor, intends to enforce its security on the insolvent person's property described below:**
 - **all of the insolvent person's present and after-acquired property and all proceeds thereof;**
 - **all of the insolvent person's real property; and**
 - **all other property of the insolvent person.**
2. **The security that is to be enforced is the following:**
 - **a General Security Agreement dated July 10, 2018; and**
 - **an Assignment of Material Contracts dated July 10, 2018.**
3. **The total amount of indebtedness secured by the security is, as of April 24, 2020, USD\$14,757,535.91 plus all interest, costs (including legal costs), and fees, all of which continue to accrue.**
4. **The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.**

Dated at Calgary, Alberta, this 28th day of April, 2020.



**Dentons Canada LLP, Solicitors for
Sprott Private Resource Lending (Collector) LP**

Per: Gary Rose

CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

DATED this _____ day of _____, 2020.

Alderon Iron Ore Corp.

Per: _____
Authorized Signatory
Name:
Title:

I have authority to bind the corporation.