

1 Q. Re: http://www.alderonironore.com/_resources/financials/ADVFSMDA2013Q3.pdf,
2 p.12.

3 Alderon Iron Ore Corporation, in its 2013 third quarter financial statement, has
4 stated the following:

5 "Alderon presented Nalcor with its anticipated annual requirements of between 60
6 megawatts ("MW") and 70MW of power for its operations, assuming that the Kami
7 Project reaches commercial production. Nalcor has confirmed that it will supply
8 power to Alderon's Kami Project, subject to certain conditions, which include the
9 completion of necessary engineering and design work for power infrastructure, the
10 conclusion of a comprehensive power purchase agreement ("PPA") and the receipt
11 of any required environmental or other regulatory approvals for power
12 infrastructure. Commercial discussions commenced during Stage III of the process,
13 and a formal PPA is currently being negotiated between Alderon and Nalcor, subject
14 to environmental and regulatory approvals. The commercial terms and rates for
15 power, transmission and other infrastructure costs will be governed by a Labrador
16 Industrial Rates Policy Framework."

17 a) Will this 60MW to 70MW of capacity be met by drawing on the 300MW of
18 recall capacity?

19 b) Please clarify whether it will be Nalcor or NL Hydro or some other Nalcor
20 subsidiary that will be providing this power to Alderon.

21 c) Please confirm that a PPA is being negotiated as stated above.

22 d) Will any of the earnings from a PPA be earmarked for the benefit of the
23 Labrador Interconnected System's infrastructure?

26 A. a) The Alderon Kami project will be provided power in accordance with the
27 Labrador Industrial Rates Policy Framework that was announced by

1 Government in the fall of 2012. The recall energy could be part of the sources
2 of power used by Hydro to supply the Project.

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4 b) Hydro will be providing this power to Alderon in accordance with the Labrador
5 Industrial Rates Policy Framework.

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7 c) Discussions are ongoing with Alderon on the PPA.

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9 d) In accordance with the Labrador Industrial Rates Policy Framework, the
10 transmission system in Labrador will be fully regulated and therefore cost
11 allocation to customers will be determined in a manner approved by the
12 Board.