

DEC 5 2011

Reg. # 1611

Mr. Todd Burlingame
Executive Vice President Environment and Aboriginal Affairs
Alderon Iron Ore Corp.
10 Fort William Place
8th Floor, Baine Johnston Centre
St. John's NL A1C 5W2

Dear Mr. Burlingame:

RE: Kami Iron Ore Project

Your proposal has been reviewed and an opportunity to comment has been provided to the public and government agencies as required by the *Environmental Protection Act*, SNL 2002, cE-14.2. Upon consideration of the comments received, I have concluded that an Environmental Impact Statement is required to determine if the proposal may have significant environmental and social-economic impacts.

Project and baseline information requirements will have to address, but are not limited to, potential effects on:

- Groundwater and surface water quality and flow regimes
- Aquatic and terrestrial wildlife habitat
- Socio-economic conditions
- Wabush Protected Water Supply Area

An Environmental Assessment Committee will be appointed for the purpose of providing technical and scientific advice to you regarding the preparation of an Environmental Impact Statement.

Please note that in accordance with the *Environmental Protection Act*, project activities may not proceed until the proposal is released from the Environmental Assessment Process. The Project is also subject to cost recovery to offset the costs incurred by the Crown in conducting the Environmental Assessment.

If you have any questions concerning these matters, please contact Mr. Bas Cleary,
Director, Environmental Assessment Division at 729-0673.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terry French', with a long horizontal flourish extending to the left.

TERRY FRENCH, MHA
Conception Bay South
Minister