

February 9, 2017



Cliffs Natural Resources Inc. Announces Tender Offers for Certain of its Unsecured Notes

CLEVELAND, Feb. 9, 2017 /PRNewswire/ --Cliffs Natural Resources Inc. (**NYSE: CLF**) announced today the commencement of tender offers to purchase (each offer a "Tender Offer" and collectively, the "Tender Offers"), subject to certain terms and conditions, up to the maximum aggregate principal amount of its outstanding 5.90% Senior Notes due March 2020 (the "March 2020 Notes"), 4.80% Senior Notes due October 2020 (the "October 2020 Notes") and 4.875% Senior Notes due April 2021 (the "2021 Notes" and, collectively with the March 2020 Notes and the October 2020 Notes, the "Securities") that it can purchase for up to \$250.0 million in aggregate purchase price (the "Maximum Payment Amount"), excluding accrued and unpaid interest up to, but not including, the Settlement Date (as defined below), at the prices set forth below.

The Tender Offers are scheduled to expire at midnight, New York City time, at the end of the day on March 9, 2017 (the "Expiration Time"), unless extended or earlier terminated by the Company. The Tender Offers are being made pursuant to an Offer to Purchase and a related Letter of Transmittal each dated February 9, 2017 (together, the "Tender Offer Materials"), which set forth a more detailed description of the Tender Offers. Holders of the Securities are urged to carefully read the Tender Offer Materials before making any decision with respect to the Tender Offers.

The Company is offering to purchase the maximum aggregate principal amount of the Securities that may be purchased for the Maximum Payment Amount, subject to the acceptance priority levels set forth in the table below (the "Acceptance Priority Levels"). As discussed in more detail in the Tender Offer Materials, the Company reserves the right, but is under no obligation, to increase or decrease the Maximum Payment Amount, at any time, subject to compliance with applicable law.

The following table sets forth certain terms of the Tender Offers:

Title of Security	CUSIP Number	Principal Amount Outstanding	Acceptance Priority Level	Per \$1,000 Principal Amount of Securities Tender Offer Consideration(1)
5.90% Senior Notes due 2020	18683K AA9	\$225,643,000	1	\$1,050.00
4.80% Senior Notes due 2020	18683K AB7	\$236,830,000	2	\$1,010.00
4.875% Senior Notes due 2021	18683K AD3	\$309,437,000	3	\$1,010.00

(1) Excludes accrued and unpaid interest up to, but not including, the Settlement Date, which will be paid in addition to the Tender Offer Consideration.

Subject to the terms and conditions of the Tender Offers, holders of the Securities who validly tender their Securities prior to the expiration of the Tender Offers will be eligible to receive the tender offer consideration plus accrued and unpaid interest up to, but not

including, the Settlement Date, payable for each \$1,000 principal amount of Securities specified in the table above for the applicable series of Securities (the "Tender Offer Consideration"). Holders whose Securities are accepted for purchase will also receive accrued and unpaid interest up to, but not including, the Settlement Date.

The Company will purchase any Securities that are validly tendered and not validly withdrawn prior to the Expiration Time, up to the Maximum Payment Amount and subject to the satisfaction and waiver of all conditions to the Tender Offers, promptly following the Expiration Time (the "Settlement Date"). The Settlement Date will occur promptly following the Expiration Time and is currently expected to be on March 10, 2017, assuming all conditions to the Tender Offers have been satisfied or waived. The amounts of each series of Securities that are purchased on the Settlement Date will be determined in accordance with the Acceptance Priority Levels, with 1 being the highest Acceptance Priority Level and 3 being the lowest Acceptance Priority Level.

The Company currently intends to finance the purchase of Securities tendered in the Tender Offers by issuing equity in an amount and on terms satisfactory to the Company (the "Financing Condition"). The obligation of the Company to accept for purchase and to pay the Tender Offer Consideration and the accrued and unpaid interest on the Securities pursuant to the Tender Offers is not subject to any minimum tender condition, but is subject to the Maximum Payment Amount, the application of the Acceptance Priority Levels and the satisfaction or waiver of certain conditions described in the Tender Offer Materials, including the Financing Condition. The Tender Offers may be amended, extended, terminated or withdrawn.

The Company has agreed, upon consummation of the Tender Offers, to pay a soliciting dealer fee equal to \$2.50 for each \$1,000 principal amount of Securities that are validly tendered pursuant to the Tender Offers to retail brokers that are appropriately designated by their beneficial holder clients to receive this fee, provided that such fee will only be paid with respect to tenders by beneficial holders whose aggregate principal amount of Securities is \$250,000 or less.

The Company has retained BofA Merrill Lynch and Credit Suisse Securities (USA) LLC to serve as Dealer Managers for the Tender Offers. Global Bondholder Services Corporation has been retained to serve as the Information Agent and Depositary for the Tender Offers. Questions regarding the Tender Offers may be directed to BofA Merrill Lynch at 214 North Tryon Street, Charlotte, North Carolina 28255, Attn: Debt Advisory, (888) 292-0070 (toll-free), (980) 388-3646 (collect). Tender Offer Materials may be obtained by calling Global Bondholder Services Corporation at (866) 470-4300 (toll-free) or (212) 430-3774 (collect for banks and brokers) or by visiting www.gbsc-usa.com/cliffs.

The Company is making the Tender Offers only by, and pursuant to, the terms of the Tender Offer Materials. None of the Company, the Dealer Managers, the Information Agent and the Depositary make any recommendation as to whether holders of the Securities should tender or refrain from tendering their Securities. Holders of the Securities must make their own decision as to whether to tender Securities and, if so, the principal amount of the Securities to tender. The Tender Offers are not being made to holders of the Securities in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offers to be made by a licensed broker or

dealer, the Tender Offers will be deemed to be made on behalf of the Company by the Dealer Managers or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

This press release does not constitute an offer to purchase securities or a solicitation of an offer to sell any securities or an offer to sell or the solicitation of an offer to purchase any securities nor does it constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is unlawful.

About Cliffs Natural Resources Inc.

Cliffs Natural Resources Inc. is a leading mining and natural resources company. Founded in 1847, Cliffs Natural Resources Inc. is recognized as the largest and oldest independent iron ore mining company in the United States. The Company is a major supplier of iron ore pellets to the North American steel industry from its mines and pellet plants located in Michigan and Minnesota. Cliffs also operates an iron ore mining complex in Western Australia. Driven by the core values of safety, social, environmental and capital stewardship, Cliffs' employees endeavor to provide all stakeholders operating and financial transparency.

Forward-Looking Statements

This release contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to Cliffs' operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this release, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Uncertainties and risk factors that could affect Cliffs' future performance and cause results to differ from the forward-looking statements in this release include, but are not limited to: uncertainty and weaknesses in global economic conditions, including downward pressure on prices caused by oversupply or imported products, the impact of any reduced barriers to trade, the outcomes of recently filed and forthcoming trade cases, reduced market demand and any change to the economic growth rate in China; continued volatility of iron ore and steel prices and other trends, including the supply approach of the major iron ore producers, affecting our financial condition, results of operations or future prospects, specifically the impact of price-adjustment factors on our sales contracts; our level of indebtedness could limit cash flow available to fund working capital, capital expenditures, acquisitions and other general corporate purposes or ongoing needs of our business; availability of capital and our ability to maintain adequate liquidity; our ability to successfully conclude the Companies' Creditors Arrangement Act (Canada) process in a manner that minimizes cash outflows and associated liabilities; the impact of our customers reducing their steel production due to increased market share of steel produced using other methods or lighter-weight steel alternatives; uncertainty relating to restructurings in the steel industry and/or affecting the steel industry; the outcome of any contractual disputes with our customers, joint venture partners or significant energy, material or service providers or any other litigation or arbitration; the ability of our customers and joint venture partners to meet their obligations to us on a timely basis or at all; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-

benefit costs and other risks of the mining industry; our ability to reach agreement with our customers regarding any modifications to sales contract provisions, renewals or new arrangements; our actual levels of capital spending; our ability to successfully diversify our product mix and add new customers beyond our traditional blast furnace clientele; our actual economic iron ore reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; our ability to cost-effectively achieve planned production rates or levels; our ability to successfully identify and consummate any strategic investments or development projects; changes in sales volume or mix; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets, as well as any resulting impairment charges; our ability to maintain appropriate relations with unions and employees; impacts of existing and increasing governmental regulation and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity and costs related to implementing improvements to ensure compliance with regulatory changes; uncertainties associated with natural disasters, weather conditions, unanticipated geological conditions, supply or price of energy, equipment failures and other unexpected events; adverse changes in currency values, currency exchange rates, interest rates and tax laws; risks related to international operations; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; and our ability to satisfy the Financing Condition and successfully complete the Tender Offers. For additional factors affecting the business of Cliffs, refer to Part I – Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2016. You are urged to carefully consider these risk factors.

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/cliffs-natural-resources-inc-announces-tender-offers-for-certain-of-its-unsecured-notes-300405378.html>

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