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# Cliffs Natural Resources Inc. Announce Plans to Idle Wabush Pointe Noire Pellet Plant

CLEVELAND, March 11, 2013 /PRNewswire/ -- Cliffs Natural Resources Inc. (**NYSE: CLF**) (**Paris: CLF**) announced today that it expects to idle its Wabush Pointe Noire pellet plant within the city of Sept-Iles in Quebec by the end of the second quarter of 2013. The Company indicated that its decision to idle its iron ore pellet operation is due to high production costs and lower pellet premium pricing which is expected to persist in certain markets during the year.

(Logo: <https://photos.prnewswire.com/prnh/20101104/CLIFFSLOGO> )

"Due to the dynamics in the marketplace, we are taking measures to adjust our iron ore pellet production at our Wabush operation while continuing to meet our customer commitments," said Joseph A. Carrabba, Cliffs' chairman, president and chief executive officer. "Unfortunately this decision will impact approximately 165 employees. We understand this is a hardship for our employees and their families. During this transition, we will be working with them including exploring other opportunities at Cliffs."

The Company's current product mix in its Eastern Canadian Iron Ore business segment is comprised of iron ore pellets and concentrate. Cliffs expects to idle production at its Pointe Noire iron ore pellet plant and transition to producing an iron ore concentrate only product from its Wabush Scully mine in the Province of Newfoundland and Labrador by the end of the second quarter in 2013.

"We are taking a long-term view of our investments in Canada. These measures address current market conditions and we look forward to advancing our work at Bloom Lake which is key to Cliffs' future," added Mr. Carrabba.

For 2013, Cliffs is maintaining its full-year sales and production volume expectations of 9 - 10 million tons out of its Eastern Canada business segment. This is comprised of approximately 3 million tons of both iron ore pellets and concentrate products from its Wabush operation with Bloom Lake Mine making up the remainder of the expected sales volume. Full-year 2013 cash cost per ton in Eastern Canadian Iron Ore is expected to be \$95 - \$100, down from the Company's previous expectation of \$100 - \$105. For full-year 2013, cash cost per ton at Wabush is expected to be \$115 - \$120. The Company is maintaining its full-year 2013 Eastern Canadian Iron Ore revenue-per-ton expectation of \$120 - \$125. This revenue-per-ton expectation is based on the 62% Fe iron ore fines price assumption of \$150 per ton used in the Company's Feb. 12, 2013 press release.

"First and foremost, we must stabilize and optimize our entire business in Eastern Canada," stated Laurie Brlas, executive vice president & president — global operations. "The current cost structure at Wabush is not sustainable and we are taking a disciplined approach to

reducing our higher cost operations. Today's announcement is expected to improve our cash cost profile for the full-year in order to remain globally competitive in the iron ore market."

The Wabush mine and concentrator are located near the town of Wabush, Newfoundland and Labrador, Canada, and the pellet plant and dock facility are located in Pointe Noire, Quebec. The entire Pointe Noire complex is comprised of a pellet plant, railroad and port. The Company will continue to operate the rail and port operations and proceed with its multi-year investment in the port's expansion that includes a ship loader for large capesize vessels. The Pointe Noire shipping facility serves the Company's Wabush and Bloom Lake operations.

### **About Cliffs Natural Resources Inc.**

Cliffs Natural Resources Inc. is an international mining and natural resources company. A member of the S&P 500 Index, the Company is a major global iron ore producer and a significant producer of high- and low-volatile metallurgical coal. Cliffs' strategy is to continually achieve greater scale and diversification in the mining industry through a focus on serving the world's largest and fastest growing steel markets. Driven by the core values of social, environmental and capital stewardship, Cliffs associates across the globe endeavor to provide all stakeholders operating and financial transparency.

The Company is organized through a global commercial group responsible for sales and delivery of Cliffs' products and a global operations group responsible for the production of the minerals the Company markets. Cliffs operates iron ore and coal mines in North America and an iron ore mining complex in Western Australia. In addition, Cliffs has a major chromite project, in the feasibility stage of development, located in Ontario, Canada.

News releases and other information on the Company are available on the Internet at: <http://www.cliffsnaturalresources.com>

### **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our ability to successfully integrate acquired companies into our operations and achieve post-acquisition synergies, including without limitation, Cliffs Quebec Iron Mining Limited (formerly Consolidated Thompson Iron Mining Limited); our ability to successfully identify and consummate any strategic investments and complete planned divestitures; 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; our ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions to reflect a shorter-term or spot-based pricing mechanism; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix;

our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; the impact of our customers using other methods to produce steel or reducing their steel production; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; the results of prefeasibility and feasibility studies in relation to projects; 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; our ability to cost effectively achieve planned production rates or levels; 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; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; risks related to international operations; availability of capital equipment and component parts; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the Securities and Exchange Commission. The information contained herein speaks as of the date of this release and may be superseded by subsequent events. Except as may be required by applicable securities laws, we do not undertake any obligation to revise or update any forward-looking statements contained in this release.

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