January 27, 2016

Cliffs Natural Resources Inc. Announces Exchange Offers for Senior Notes

CLEVELAND, Jan. 27, 2016 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) today announced the commencement of private offers to exchange up to $710 million aggregate principal amount of its newly issued 8.00% 1.5 Lien Senior Secured Notes due 2020 (the "New 1.5 Lien Notes") for certain outstanding notes of Cliffs, upon the terms and subject to the conditions set forth in the Company's offering memorandum dated January 27, 2016.

The following table sets forth each series of outstanding senior unsecured and secured notes subject to the exchange offers (the "Existing Notes") and indicates the applicable consideration offered for such series in the exchange offers for the Existing Notes (the "Exchange Offers").

			Principal Amount of New 1.5 Lien Notes[1]		
Title of Series/CUSIP Number of Existing Notes	**Maturity Date**	**Aggregate Principal Amount Outstanding**	**Exchange Consideration**	**Early Tender Premium**	**Total Exchange Consideration[2]**
3.95% Senior Notes due 2018 /18683K AF8*	January 15, 2018	$311,161,000	$450.00	$50.00	$500.00
5.90% Senior Notes due 2020 /18683K AA9	March 15, 2020	$290,779,000	$350.00	$50.00	$400.00
7.75% Second Lien Notes due 2020 /18683K AG6/ U18618AA3	March 31, 2020	$544,156,000	$450.00	$50.00	$500.00
4.80% Senior Notes due 2020 /18683K AB7	October 1, 2020	$306,667,000	$350.00	$50.00	$400.00
4.875% Senior Notes due 2021 /18683K AD3	April 1, 2021	$412,528,000	$350.00	$50.00	$400.00
6.25% Senior Notes due 2040 /18683K AC5	October 1, 2040	$492,815,000	$340.00	$50.00	$390.00

(1) For each $1,000 principal amount of Existing Notes.
(2) Includes Early Tender Premium
* The interest rate payable on our 3.95% Senior Notes due 2018 is subject to adjustment in the event of a change in the credit ratings and is currently at the maximum interest rate of 5.95% per annum.

Eligible holders must validly tender their Existing Notes at or prior to 5:00 p.m., New York City time, on February 9, 2016 (the "Early Tender Date"), in order to be eligible to receive the applicable "Total Exchange Consideration" shown in the table above, which includes the "Early Tender Premium". Existing Notes tendered after the Early Tender Date but prior to expiration of the Exchange Offers will be eligible to receive only the applicable "Exchange Consideration".

The Exchange Offers will expire at 5:00 p.m., New York City time, on February 26, 2016 (the "Expiration Date"). Tenders of Existing Notes may not be withdrawn after 5:00 p.m., New York City time, on February 9, 2016, except in certain limited circumstances described in the offering memorandum and related letter of transmittal.

Eligible holders of Existing Notes accepted for exchange in the Exchange Offers will also receive a cash payment equal to the accrued and unpaid interest in respect of such Existing Notes from the applicable most recent interest payment date to, but not including, the settlement date of the Exchange Offers. Interest on the New 1.5 Lien Notes will accrue from such settlement date, which will occur promptly after the Expiration Date.

The New 1.5 Lien Notes will be unconditionally and irrevocably guaranteed by subsidiaries which directly or indirectly own substantially all of our domestic assets. The Existing Notes, other than the 7.75% Second Lien Notes due 2020 (the "Second Lien Notes"), are unsecured and are not guaranteed by any subsidiaries. The New 1.5 Lien Notes will be secured by (1) junior first priority liens on substantially all of our assets and the assets of the subsidiary guarantors, except for the "ABL Collateral," which consists of accounts receivable, inventory and other assets securing our asset-based lending facility (the "ABL Facility"), and (2) junior second priority liens on the ABL Collateral. Accordingly, any Existing Notes that remain outstanding after the Exchange Offers will be (1) other than the Second Lien Notes, structurally subordinated to the subsidiary guarantees of the New 1.5 Lien Notes and (2) effectively subordinated to the New 1.5 Lien Notes to the extent of the collateral for the New 1.5 Lien Notes.

The aggregate principal amount of New 1.5 Lien Notes to be issued in the Exchange Offers is limited to $710 million (the "Maximum Exchange Amount"). In the event that the Exchange Offers are oversubscribed, only an aggregate principal amount of Existing Notes that results in the issuance of New 1.5 Lien Notes not in excess of the Maximum Exchange Amount will be accepted for exchange. Pursuant to this structure, validly tendered Existing Notes will be accepted for exchange on a pro rata basis for each tender in proportion to the aggregate principal amount of Existing Notes tendered in the Exchange Offers, with no series of Existing Notes having priority over any other series of Existing Notes to be exchanged pursuant to the Exchange Offers, provided that 3.95% Senior Notes due 2018 will be accepted for exchange before any other Existing Notes, and accordingly will not be subject to any proration.

The Exchange Offers are conditioned on the satisfaction or waiver of certain customary additional conditions, as described in the offering memorandum and related letter of transmittal. The Exchange Offers are not conditioned upon any minimum amount of Existing Notes being tendered. The Exchange Offers for the Existing Notes may be amended, extended or terminated, in each case either as a whole, or independently with respect to any one or more particular series of Existing Notes.

The offering memorandum and other documents relating to the Exchange Offers will only be distributed to holders who complete and return an eligibility form confirming that they are (i) "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act or (ii) not "U.S. persons" and are outside of the United States within the meaning of Regulation S under the Securities Act (such persons, "Eligible Holders"). Holders who desire to obtain and complete an eligibility form should either visit the website for this purpose at http://www.gbsc-usa.com/eligibility/cliffs or call Global Bondholder Services Corporation, the Information Agent and Depositary for the Exchange Offers at (866) 470-4300 (toll-free) or (212) 430-3774 (collect for banks and brokers).

The Company is making the Exchange Offers only by, and pursuant to, the terms of the offering memorandum and related letter of transmittal. Eligible Holders are urged to carefully read the offering memorandum and related letter of transmittal before making any decision with respect to the Exchange Offers. None of the Company, the Dealer Managers, the Information Agent and the Depositary make any recommendation as to whether Eligible Holders should tender or refrain from tendering their Existing Notes. Eligible Holders must make their own decision as to whether to tender Existing Notes and, if so, the principal amount of the Existing Notes to tender. The Exchange Offers are not being made to holders of Existing Notes 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 Exchange Offers to be made by a licensed broker or dealer, the Exchange Offers will be deemed to be made on behalf of Cliffs 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 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: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore prices; availability of capital and our ability to maintain adequate liquidity, in particular considering borrowing base reductions from the sale of non-core assets such as North American Coal; continued weaknesses in global economic conditions, including downward pressure on prices caused by oversupply or imported products, including the impact of any reduced barriers to trade, reduced market demand and any change to the economic growth rate in China; our ability to reach agreement with our iron ore customers regarding any modifications to sales contract provisions, renewals or new arrangements; uncertainty relating to restructurings in the steel industry and/or affecting the steel industry; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; the impact of our customers reducing their steel production or using other

methods to produce steel; our ability to successfully execute an exit option for our Canadian Entities that minimizes the cash outflows and associated liabilities of such entities, including the Companies' Creditors Arrangement Act (Canada) process; our ability to successfully identify and consummate any strategic investments and complete planned divestitures; our ability to successfully diversify our product mix and add new customers beyond our traditional blast furnace clientele; 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; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; our actual levels of capital spending; our actual economic iron ore reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; 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; the results of prefeasibility and feasibility studies in relation to projects; impacts of existing and increasing governmental laws and 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; 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 or costs, environmental liabilities, employee-benefit costs and other risks of the mining industry; the satisfaction of the conditions precedent to completing the Exchange Offers and our ability to consummate any or all of the Exchange Offers; and the risk factors identified in Part I - Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 and in Part II - Item 1A of our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015. 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.

To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/cliffs-natural-resources-inc-announces-exchange-offers-for-senior-notes-300210412.html

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