

**Report of Organizational Actions
Affecting Basis of Securities**

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Cleveland-Cliffs Inc.		2 Issuer's employer identification number (EIN) 34-1464672	
3 Name of contact for additional information Paul Finan	4 Telephone No. of contact 216-694-5700	5 Email address of contact paul.finan@clevelandcliffs.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 200 Public Square, Suite 3300		7 City, town, or post office, state, and ZIP code of contact Cleveland, OH 44114	
8 Date of action March 13, 2020		9 Classification and description Exchange of AK Steel Holding Corporation Stock for Cleveland-Cliffs Inc. Stock in a Section 368(a) Reorganization	
10 CUSIP number See attachment.	11 Serial number(s) See attachment.	12 Ticker symbol CLF; AKS	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶
See attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

See attachment.

18 Can any resulting loss be recognized? ▶

See attachment.

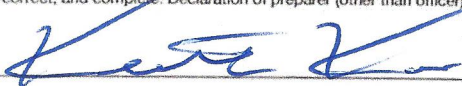
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

See attachment.

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

04/20/20

Print your name ▶ Keith A. Koci

Title ▶ Executive VP & Chief Financial Officer

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Cleveland-Cliffs Inc.
EIN: 34-1464672
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

The information contained in Form 8937 and this attachment does not constitute tax advice and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the Merger (as defined below). In addition, this information does not address tax consequences, which may vary depending on the individual circumstances of an AK Steel Holding Corporation shareholder, or any non-income or foreign, state or local tax consequences of the Merger. **Accordingly, shareholders are strongly urged to consult with their own tax advisors to determine the particular U.S. federal, state, local or foreign income or other tax consequences of the Merger to them, including the amount of gain or loss, if any, that they recognized in the Merger and the tax basis in the Cleveland-Cliffs Inc. shares, if any, received in the Merger.**

Part I:

Line 10. For each security involved in the organizational action, the requested information is as follows:

Cleveland-Cliffs Inc., CUSIP: 185899101
AK Steel Holding Corporation, CUSIP: 001547108

Part II:

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On March 13, 2020 (the "Merger Date"), Pepper Merger Sub Inc. ("Merger Sub"), a Delaware corporation and a direct, wholly-owned subsidiary of Cleveland-Cliffs Inc. ("Cliffs"), merged with and into AK Steel Holding Corporation ("AK Steel"), a Delaware corporation, with AK Steel continuing as the surviving corporation and as a direct, wholly-owned subsidiary of Cliffs (the "Merger"). The Merger was structured with the intent that it qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

Pursuant to the Agreement and Plan of Merger, dated as of December 2, 2019, upon consummation of the Merger, on the Merger Date, shareholders of AK Steel surrendered their AK Steel common shares in exchange for voting common shares of Cliffs at a rate of 0.400 of a Cliffs common share per AK Steel common share, with cash being paid by Cliffs in lieu of the issuance of a fractional Cliffs common share.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

Each AK Steel shareholder that is subject to U.S. tax and that surrendered AK Steel common stock in exchange for the merger consideration in the Merger is responsible for determining such shareholder's own gain and allowable loss resulting from the exchange and from future dispositions. Cliffs is supplying this information to assist the AK Steel shareholders in determining the amount of gain or loss that must be recognized as a result of the exchange and to determine the tax basis such shareholder takes in the Cliffs common stock received in the Merger.

Subject to the discussion below relating to the receipt of cash in lieu of issuing fractional shares, AK Steel shareholders will recognize no gain or loss on the receipt of Cliffs common stock in exchange for surrendering their AK Steel common stock in the Merger. In addition, such AK Steel shareholder generally will take an aggregate adjusted tax basis in the Cliffs common shares received in the Merger, including any fractional Cliffs common shares for which cash was received in lieu of fractional shares, equal to such holder's aggregate adjusted tax basis in the shares of AK Steel common stock surrendered in exchange for such Cliffs common shares.

Each AK Steel shareholder that is subject to U.S. tax and who received cash in lieu of a fraction of a Cliffs common share as part of the Merger consideration generally will be treated as having received the fractional share pursuant to the Merger and then as having sold to Cliffs that fraction of a Cliffs common share for cash. As a result, an AK Steel shareholder who received cash in lieu of a fraction of a Cliffs common share generally will recognize gain or loss measured by the difference between the amount of cash received in lieu of such fractional share and the portion of the holder's tax basis in the shares of AK Steel common stock allocated to the fractional share.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

As discussed in Part II, Line 15, a holder of shares of AK Steel common stock who received Cliffs common shares in the Merger generally will have an aggregate adjusted tax basis in the Cliffs common shares received, including any fractional Cliffs common shares for which cash was received in lieu of fractional shares, equal to such holder's aggregate adjusted tax basis in its shares of AK Steel common stock surrendered.

If an AK Steel shareholder owned multiple blocks of shares purchased at different times or for different amounts, resulting in different adjusted U.S. tax bases in each block, the preceding discussion in Part II, Line 15 must be applied separately to each identifiable block of shares of AK Steel common stock.

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:

Sections 302, 354, 358, 368, 1001.

Line 18. Can any resulting loss be recognized?

As described in Part II, Line 15, no loss may be recognized in the exchange of AK Steel common stock for Cliffs common shares, except with respect to cash received in lieu of any fractional shares. A holder who received cash in lieu of a fraction of a Cliffs common share will be treated as having received the fractional share pursuant to the Merger and then as having sold to Cliffs that fraction of a Cliffs common share for cash. The loss, if any, to such holder who received cash in lieu of a fraction of a Cliffs common share can be recognized. Recognition of such losses, however, may be subject to limitations. **Shareholders should consult their tax advisors to determine whether such losses may be recognized based on such individual shareholder's situation.**

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The tax consequences of the exchange of shares in the Merger should be reported by a shareholder in its taxable year that includes March 13, 2020.

The holding period for the Cliffs common shares received in the Merger will include the holding period for the shares of AK Steel common stock surrendered in exchange for such Cliffs common shares, including any fractional Cliffs common shares for which cash was received.

Shareholders should consult their tax advisors to determine the tax consequences to them of the Merger.