

Cliffs Natural Resources Inc. Announces Results to Date of Exchange Offers for Senior Notes, Extension of Early Tender Date and Increase to the 2018 Senior Notes Offer

CLEVELAND, Feb. 10, 2016 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) today announced the results to date of its pending private offers to exchange (the "Exchange Offers") 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 listed in the table below (the "Existing Notes"). As of 5:00 p.m., New York City time, on February 9, 2016 (the "Early Tender Date"), a total of approximately \$465.3 million principal amount of Existing Notes had been tendered in the Exchange Offers.

Cliffs also announced that the Early Tender Date for the Exchange Offers has been extended to 5:00 p.m., New York City time, on February 26, 2016, and that the Exchange Consideration for the 3.95% Senior Notes due 2018 has increased as set forth below. Accordingly, all Existing Notes tendered prior to the extended Early Tender Date will be eligible to receive the "Total Exchange Consideration" shown in the table below, which includes the "Early Tender Premium" of \$50 in principal amount of the New 1.5 Lien Notes.

Lourenco Goncalves, Cliffs' Chairman, President and Chief Executive Officer said, "We are very pleased with the early results of the debt exchange which to date will generate annual interest expense savings of \$13 million and debt reduction of \$268 million. Furthermore, with 17 days remaining in the exchange offer, we are extending the early tender deadline across the entire series of bonds as well as increasing the total exchange consideration on the 3.95% Senior Notes due 2018 from \$500 to \$650. We believe this additional consideration will provide further incentive for the holders of the 3.95% Senior Notes due 2018 to participate in this exchange."

Title of Series/CUSIP Number of Existing Notes	Aggregate Principal Amount Outstanding (millions)	Principal Amount of New 1.5 Lien Notes ⁽¹⁾			Aggregate Principal Amount Tendered (millions)
		Exchange Consideration	Early Tender Premium	Total Exchange Consideration ⁽²⁾	
3.95% Senior Notes due 2018 /18683K AF8*	\$311.2	\$600.00	\$50.00	\$650.00	\$14.8
5.90% Senior Notes due 2020 /18683K AA9	\$290.8	\$350.00	\$50.00	\$400.00	\$53.8
7.75% Second Lien Notes due 2020 /18683K AG6/U18618AA3	\$544.2	\$450.00	\$50.00	\$500.00	\$92.0
4.80% Senior Notes due 2020 /18683K AB7	\$306.7	\$350.00	\$50.00	\$400.00	\$42.7
4.875% Senior Notes due 2021 /18683K AD3	\$412.5	\$350.00	\$50.00	\$400.00	\$69.4
6.25% Senior Notes due 2040 /18683K AC5	\$492.8	\$340.00	\$50.00	\$390.00	\$192.6

(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.

The aggregate principal amount of New 1.5 Lien Notes to be issued for all validly tendered Existing Notes is approximately \$197 million based on the results as of the Early Tender Date. Under the terms of the Exchange Offers, 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").

The Exchange Offers will expire at 5:00 p.m., New York City time, on February 26, 2016 (the "Expiration Date"). The deadline for investors to withdraw tenders of Existing Notes has passed. Accordingly, tendered Existing Notes may no longer be withdrawn, 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 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.gbhc-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, as amended by this press release. 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-results-to-date-of-exchange-offers-for-senior-notes-extension-of-early-tender-date-and-increase-to-the-2018-senior-notes-offer-300218043.html>

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