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Cliffs Natural Resources Announces New Energy Agreement with WEC Energy Group for its Tilden Mine in Michigan

CLEVELAND, Aug. 15, 2016 /PRNewswire/ -- Cliffs Natural Resources Inc.**(NYSE: CLF)** announced today that its Tilden Mining Company has entered into a new 20-year energy agreement with WEC Energy Group (**NYSE: WEC**) to provide Tilden mine with a long-term, reliable and affordable source of electrical power in Michigan.

Lourenco Goncalves, Cliffs' Chairman, President and CEO, said, "With a significant and longstanding presence in the Upper Peninsula of Michigan that spans over 160 years, Cliffs' commitment to operate in the region for many more years to come has been greatly enhanced through this new energy agreement with WEC Energy Group. Our Tilden Mine produces among the highest quality pellets in North America. With a stable, long-term source of power in place, Tilden will also continue to be the most operationally efficient producer of pellets for the domestic steel industry. Today's announcement is a demonstration of the success of the settlement agreement developed by key stakeholders under the leadership of the State of Michigan. Our collaboration with WEC Energy Group, Governor Snyder and the State of Michigan has resulted in a strategic energy solution for the Upper Peninsula which optimizes affordability and improves reliability for all ratepayers for decades to come."

The Company stated that this agreement will provide Cliffs' Tilden Mine with a clean, cost-effective and highly efficient energy generating capacity solution and also resolve the long-term energy reliability issues facing the residents in Upper Peninsula of Michigan. Under this agreement WEC Energy Group, through the proposed Upper Michigan Energy Resources Corporation plans to construct, own and operate 170 MW of new natural gas generating capacity across two sites in the Upper Peninsula. Pending regulatory approvals, the proposed facilities are expected to commence operation in 2019 which will be in advance of the retirement of the Presque Isle Power Plant.

With WEC Energy Group's investment in new electric power generation in the region, the Company stated that there will be tangible benefits for U.P. residents of a more cost-effective energy future and negating the possibility of a future System Support Resource (SSR) related to the operation of the Presque Isle Power Plant.

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. News releases and other information on the Company are available at www.cliffsnaturalresources.com.

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; 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, which could prevent us from fulfilling our debt obligations; 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, recently filed and forthcoming trade cases, 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 CCAA 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 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; and problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry. 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, 2015. 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-announces-new-energy-agreement-with-wec-energy-group-for-its-tilden-mine-in-michigan-300313505.html

SOURCE Cliffs Natural Resources Inc.