February 26, 2015

Cliffs Natural Resources Inc. Announces Exchange Offers for Senior Notes

CLEVELAND, Feb. 26, 2015 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) today announced the commencement of private offers to exchange up to $750 million aggregate principal amount of its newly issued 7.75% Senior Secured Notes due 2020 (the "Senior Secured Notes") for certain outstanding senior unsecured notes of Cliffs, upon the terms and subject to the conditions set forth in the Company's offering memorandum dated February 26, 2015.

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

Title of Series/CUSIP Number of Existing Notes	Maturity Date	Aggregate Principal Amount Outstanding	Acceptance Cap	Acceptance Priority Level	Principal Amount of Senior Secured Notes[1]		
					Exchange Consideration	**Early Tender Premium**	**Total Exchange Consideration[2]**
6.25% Senior Notes due 2040 / 18683K AC5	October 1, 2040	$754,138,000	$325,000,000	1	$730.00	$50	$780.00
4.875% Senior Notes due 2021 / 18683K AD3	April 1, 2021	$631,706,000	N/A	2	$768.75	$50	$818.75
4.80% Senior Notes due 2020 / 18683K AB7	October 1, 2020	$446,226,000	N/A	3	$771.25	$50	$821.25
5.90% Senior Notes due 2020 / 18683K AA9	March 15, 2020	$393,750,000	N/A	4	$810.00	$50	$860.00

(1) For each $1,000 principal amount of Existing Notes

(2) Includes the Early Tender Premium of $50 in principal amount of Senior Secured Notes

Eligible holders must validly tender their Existing Notes at or prior to 5:00 p.m., New York City time, on March 11, 2015 (the "Early Tender Date"), in order to be eligible to receive the applicable "Total Exchange Consideration" shown in the table above. 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" set out in such table, which does not include the "Early Tender Premium".

The Exchange Offers will expire at midnight, New York City time, on March 25, 2015 (the "Expiration Date"). Tenders of Existing Notes may not be withdrawn after 5:00 p.m., New York City time, on March 11, 2015, except in certain limited circumstances described in the offering memorandum and related letter of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 Senior Secured Notes will accrue from such settlement date, which will occur promptly after the Expiration Date.

The Senior Secured Notes will be unconditionally and irrevocably guaranteed by subsidiaries which directly or indirectly own substantially all of our domestic assets. The Senior Secured Notes will be secured by (1) second 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 proposed new asset-based lending facility (the "ABL Facility"), and (2) third liens on the ABL Collateral. Accordingly, any Existing Notes that remain outstanding after the Exchange Offers will be structurally subordinated to the subsidiary guarantees of the Senior Secured Notes and will be effectively subordinated to the Senior Secured Notes to the extent of the collateral for the Senior Secured Notes. The Existing Notes are unsecured and are not guaranteed by any subsidiaries.

The aggregate principal amount of Senior Secured Notes to be issued in the Exchange Offers is limited to $750 million (the "Maximum Exchange Amount"). In the event that the Exchange Offers are oversubscribed, the principal amounts of each series of Existing Notes that are accepted will be determined in accordance with the "Acceptance Priority Levels" set forth on the table above, with 1 being the highest Acceptance Priority Level and 4 being the lowest Acceptance Priority Level. In addition, the aggregate principal amount of 6.25% Senior Notes due 2040 to be accepted is limited to $325 million (the "2040 Series Cap"). Cliffs reserves the right to increase the Maximum Exchange Amount and/or the 2040 Series Cap, although it does not currently intend to do so.

The consummation of the Exchange Offers is conditioned upon Cliffs having refinanced its existing revolving credit facility on terms and conditions satisfactory to Cliffs in its discretion. This refinancing may consist of Cliffs issuing approximately $500 million principal amount of senior secured first lien notes due 2020 and entering into the ABL Facility. The ABL Facility may provide up to $550 million of senior secured borrowing availability on a revolving basis, subject to borrowing base limitations. The Company intends to use the net proceeds from the refinancing for general corporate purposes. There can be no assurance that the refinancing will be consummated or as to the terms thereof.

The Exchange Offers are also 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 Company has retained BofA Merrill Lynch, Jefferies, Deutsche Bank Securities and Credit Suisse to serve as Dealer Managers for the Exchange Offers. Questions regarding the Exchange Offers may be directed to BofA Merrill Lynch at (888) 292-0070 (toll-free) or (980) 388-3646 (collect). 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. Additionally, Cliffs produces low-volatile metallurgical coal in the U.S. from its mines located in Alabama and West Virginia. 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 forward-looking statements within the meaning of the federal securities laws. Although Cliffs believes that these forward-looking statements and the underlying assumptions are reasonable, we cannot assure you that they will prove to be correct. Forward-looking statements involve a number of risks and uncertainties, and there are factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. These risk factors include without limitation: our ability to successfully execute an exit option for our Bloom Lake mine that minimizes the cash outflows and associated liabilities of our Canadian operations including the Companies' Creditors Arrangement Act (Canada) process; trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; 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; 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 any modifications to sales contract provisions; 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, 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; 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; the satisfaction of the conditions precedent to completing the Exchange Offers, including refinancing the existing credit facility, entering into the ABL Facility and the completion of the offering of the New First Lien Notes, and our ability to consummate any or all of the Exchange Offers; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. 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.

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-300042666.html

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