January 11, 2011

Cliffs Natural Resources Inc. Announces Definitive Agreement to Acquire Consolidated Thompson Iron Mines Limited for C$4.9 Billion, or C$17.25 in Cash Per Share

- Acquisition to Diversify Cliffs' Customer Base with Expanded Seaborne Presence

- Positions Cliffs as a Top Ten Global Iron Ore Producer

- Consolidated Thompson's Largest Shareholder Agrees to Support the Acquisition

CLEVELAND, Jan. 11, 2011 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF), an international mining and natural resources company, today announced that it has entered into a definitive arrangement agreement with Consolidated Thompson Iron Mines Limited (TSX: CLM) to acquire all of Consolidated Thompson's common shares in an all-cash transaction valued at approximately $4.9 billion Canadian dollars (including net debt), or C$17.25 per share, which represents an implied premium of 30% to Consolidated Thompson's closing share price as of Jan. 10, 2011. Cliffs has committed financing and available liquidity sufficient to fund the purchase price. Cliffs expects to arrange for permanent financing by accessing the capital markets, which may include long-term debt and equity.

(Logo: https://photos.prnewswire.com/prnh/20101104/CLIFFSLOGO)

The transaction is expected to be modestly accretive to Cliffs' earnings-per-share and cash flow in 2011 and 2012. The transaction is expected to close early second quarter 2011, subject to the satisfaction or waiver of various customary closing conditions.

The transaction has been approved by Consolidated Thompson's Board of Directors. In addition, Consolidated Thompson's Board of Directors has recommended that its shareholders support the transaction, which would be completed by way of a statutory plan of arrangement that is subject to shareholder approval in a court-supervised process under Canadian law. In addition, Cliffs has entered into a support agreement with Consolidated Thompson's largest shareholder, Wuhan Iron and Steel (Group) Corporation of China, which owns nearly 19% of Consolidated Thompson's outstanding shares. Consolidated Thompson's directors and certain senior officers have also entered into support agreements with Cliffs.

Strategic Rationale

The proposed acquisition of Consolidated Thompson reflects Cliffs' strategy to build scale by owning expandable and exportable steelmaking raw material assets serving international markets. Once the acquisition and planned expansion projects are complete, Cliffs expects nearly half of its iron ore production in North America will be exported. The transaction will provide Cliffs greater access to Asia and opportunities to build and grow strong business relationships with Consolidated Thompson's current customers.

All of Consolidated Thompson's current production capacity is contracted under long-term off-take arrangements at sales-per-ton rates that move with the global seaborne prices. This production capacity includes the existing strategic alliance with Wuhan Iron and Steel (Group) Corporation, China's third largest steel producer, and two large Asian commodity brokers. Consolidated Thompson has established strong relationships with its existing customers. Upon completion of the acquisition, Cliffs expects to maintain and enhance these strategic relationships. These new customers would also enable Cliffs to strategically diversify its customer base beyond its historical North American steelmaking customers. Upon completion of the acquisition and completion of the planned ramp-up in production, it is expected that over half of the combined revenue base will be generated from customers outside of North America.

Joseph A. Carrabba, Cliffs' chairman, president and chief executive officer, said, "The acquisition of Consolidated Thompson will combine a low-operating risk profile with access to high-growth global markets and broaden our exposure to seaborne iron ore prices. We have followed Consolidated Thompson closely since its founding in 2006, and have been very impressed with its significant progress and development to date. We are also enthusiastic about expanding our investment in Eastern Canada, where we have over 45 years of experience and where the regulatory environment, political system and environmental stewardship are consistent with our core values."

Consolidated Thompson's Strategic Assets

As an emerging world-class iron ore producer, Consolidated Thompson currently operates in the iron ore-rich area spanning northeastern Quebec, western Newfoundland and Labrador. Consolidated Thompson manages and operates Bloom Lake, an open-pit iron ore mine, and two adjacent development properties, Lamelee and Peppler Lake. The producing operations are currently ramping to an annualized production rate of 8 million metric tons of iron ore concentrate, with an expansion in progress that is expected to double the company's annualized production to 16 million metric tons.

Consolidated Thompson's assets are located in close proximity to a hydroelectric power grid, along with roads and a rail line that link the processing facility to deep-sea ports in Sept-Îles, Quebec. This infrastructure, coupled with Consolidated Thompson's newly commissioned concentrator facility, good quality ore body and absence of royalty payments, positions it among other low-cost iron ore producers around the world.

Consolidated Thompson controls approximately 580 million metric tons of proven and probable iron ore reserves at an average grade of 30%. In addition, Consolidated Thompson has over a billion metric tons of measured and indicated resources, with potential additional resources to be proven via a near-mine drilling program.

Synergies with Cliffs' Existing Eastern Canada Operations

Consolidated Thompson's operations are close to Cliffs' existing operations at Wabush Mines in Eastern Canada, a 5.6 million metric-ton rated capacity iron ore pellet operation with integrated rail and port infrastructure that currently supports Consolidated Thompson's operations. Cliffs' close proximity to Consolidated Thompson's operations is expected to provide the opportunity to achieve significant sustainable operating synergies by leveraging Cliffs' existing logistics and processing infrastructure. Cliffs has identified opportunities to lower Consolidated Thompson's freight and ship loading costs and maximize the combined company's consolidated reserve and resource base by optimizing product mix between pellet and concentrate products. Cliffs estimates that the proposed transaction could generate annual pre-tax operating synergies of approximately US$75 million.

Combined Company Profile

Cliffs' acquisition of Consolidated Thompson is expected to enhance Cliffs' profile as one of the largest mining and natural resources companies in North America, with significant exposure to Asia. Cliffs' legacy and technical expertise in open-pit mining, combined with Consolidated Thompson's high-growth development profile, creates the opportunity for additional scale and leverage. Upon consummation of the acquisition, Cliffs' global mine portfolio will include ten iron ore facilities, six coal mines and a pre-feasibility chrome-development project across North America, South America and Australia.

Cliffs believes that, with Consolidated Thompson's current operations and successful completion of its ongoing expansion projects, combined with Cliffs' global iron ore operations, the acquisition would position Cliffs to become a producer of up to 30 million metric tons of iron ore pellets, up to 16 million metric tons of iron ore concentrate and up to 11 million metric tons of lump and fines iron ore.

Upon completion of the acquisition, Consolidated Thompson will become an indirect wholly-owned subsidiary of Cliffs Natural Resources and be rebranded under the Cliffs name. It is anticipated that Consolidated Thompson will become part of Cliffs' North American Iron Ore business unit and will be led by Cliffs' executive leadership team.

Details Regarding Arrangement Agreement

Cliffs' agreement to acquire Consolidated Thompson contains customary closing conditions. These include:

- Approval by two-thirds of the votes cast by Consolidated Thompson's shareholders attending or represented at a future special meeting of shareholders;
- Obtaining all court, government and regulatory approvals, including Investment Canada, Canadian Competition Act, and others; and,
- No material adverse change in Consolidated Thompson's business, financial condition or results of operations.

Cliffs' Advisors

J.P. Morgan Securities LLC is acting as Cliffs' financial advisor and has committed bridge financing for the transaction. Jones Day and Blake, Cassels & Graydon LLP are acting as legal counsel.

Conference Call

Cliffs Natural Resources' executive management will host a conference call today, Jan. 11 at 5:30 p.m. ET to discuss the agreement. Interested participants may listen to the call by dialing **(877) 485-3104** (for callers within the U.S.) or **(201) 689-8579** (for international callers) and referencing code **00365099** approximately 15 minutes prior to the call. A slide deck will be used during the call. Both the slide deck and the conference call can be accessed via the investor relations section of Cliffs' website, at www.cliffsnaturalresources.com. A replay of the call and the accompanying slides referenced during the call will be available on the website for approximately 30 days.

To be added to Cliffs Natural Resources' e-mail distribution list, please click on the link below:

http://www.cpg-llc.com/clearsite/clf/emailoptin.html.

About Cliffs Natural Resources Inc.

Cliffs Natural Resources Inc. is an international mining and natural resources company. A member of the S&P 500 Index, we are the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of high and low volatile metallurgical coal. With core values of environmental and capital stewardship, our colleagues across the globe endeavor to provide all stakeholders operating and financial transparency as embodied in the Global Reporting Initiative (GRI) framework. Our Company is organized through three geographic business units:

The North American business unit is comprised of six iron ore mines owned or managed in Michigan, Minnesota and Canada and six coal mines located in West Virginia and Alabama. The Asia Pacific business unit is comprised of two iron ore mining complexes in Western Australia and a 45% economic interest in a coking and thermal coal mine in Queensland, Australia. The Latin American business unit includes a 30% interest in the Amapa Project, an iron ore project in the state of Amapa in Brazil.

Other projects under development include a biomass production plant in Michigan and Ring of Fire chromite properties in Ontario, Canada. Over recent years, Cliffs has been executing a strategy designed to achieve scale in the mining industry and focused on serving the world's largest and fastest growing steel markets.

News releases and other information on the Company are available on the Internet at:

http://www.cliffsnaturalresources.com or

www.cliffsnaturalresources.com/Investors/Pages/default.aspx?b=1041&1=1

Notice Regarding Disclosure Concerning Consolidated Thompson

The information concerning Consolidated Thompson, including Cliffs' expectations relating to the impact of the completion of an acquisition of Consolidated Thompson, contained in this news release has been taken from or based upon publicly available documents and records filed with the Canadian securities regulatory authorities and other public sources at the time of this news release and has not been independently verified by Cliffs. Cliffs assumes no responsibility for the accuracy or completeness of such information, or for any failure by Consolidated Thompson to disclose publicly facts, events or acts that may have occurred or come into existence or that may affect the significance or accuracy of any such information but which are unknown to Cliffs.

Disclaimer

This release is not a solicitation of any vote attached to shares of Consolidated Thompson or a proxy of any Consolidated Thompson shareholder in favor of the transaction. Any such solicitation will be made following the filing of a proxy circular and related documents by Consolidated Thompson with the Canadian securities regulatory authorities.

Forward-Looking Statements

This news release contains predictive statements that are intended to be made as "forward-looking" within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although Cliffs believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risk and uncertainties. Certain statements in this release, including those relating to the arrangement agreement, the closing of the proposed acquisition and receipt of necessary approvals, the expected consequences of Cliffs' proposed acquisition of Consolidated Thompson and estimates regarding future production and financing plans, are forward-looking statements. Any statements that are not statements of historical fact (including statements containing the words "believes," "intends," "plans," "anticipates," "expects," "estimates" or similar expressions) should be considered to be forward-looking statements. Such forward-looking statements are based on current expectations and assumptions, including, the proposed acquisition being consummated on the proposed terms without undue delay and that there be no material adverse changes in the business, financial condition or results of operations of Consolidated Thompson, and that all necessary or desirable regulatory or other third-party approvals and consents are obtained on terms satisfactory to Cliffs.

Statements regarding Cliffs' belief that the acquisition of Consolidated Thompson would position it to become a producer of specified amounts of iron ore are based on an assumption that Cliffs has production capacity for 30 million metric tons of iron ore pellets and 11 million metric tons of lump and fines iron ore in 2013 from its global iron ore operations, combined with Consolidated Thompson's forward-looking statements in a publicly available investor presentation dated December 2010 available on Consolidated Thompson's website. The statement regarding Cliffs' belief that the proposed acquisition of Consolidated Thompson would provide specific amounts of proven and probable iron ore reserves and measured and indicated iron ore resources, including the specified amounts of iron ore, is based on Cliffs' disclosure of proven and probable reserves in its U.S. Securities and Exchange Commission filing on Form 10-K dated February 18, 2010 and Form 8-K dated July 7, 2010, combined with Consolidated Thompson's disclosures in its Annual Reports to shareholders and various technical reports, all publicly filed on SEDAR. The material assumptions relating to such disclosures are also available in these public filings.

Such forward-looking statements are also subject to risks and uncertainties, which could cause actual results to differ materially from such statements as a result of various factors, some of which are unknown, including without limitation: the time required to consummate the proposed acquisition; the satisfaction or waiver of conditions in the arrangement agreement; material adverse changes in the affairs of Consolidated Thompson; any actions or omissions by Consolidated Thompson or its Board of Directors; Cliffs' ability to achieve the synergies of the proposed acquisition; Cliffs' ability to achieve the strategic and other objectives related to the proposed acquisition; trends affecting Cliffs' and/or Consolidated Thompson's financial condition, results of operations or future prospects; the outcome of any contractual disputes with customers; the ability of customers to meet their obligations on a timely basis or at all; Cliffs' and Consolidated Thompson's actual economic iron ore reserves; any necessary actions to obtain required shareholder, regulatory, court or other third-party approvals and consents; changes in market conditions; risks relating to international operations, fluctuating iron ore prices and currency exchange rates; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses, labor disputes and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; the business of the companies not being integrated successfully or such integration proving more difficult, time consuming or costly than expected; the outcome of any contractual disputes with significant energy, material or service providers; the success of cost-savings efforts; the ability to maintain adequate liquidity and successfully implement Cliffs' financing plans; the ability to maintain appropriate relations with unions and employees; the potential existence of significant deficiencies or material weakness in the companies' internal control over financial reporting; as well as those risk factors discussed in the annual information forms, annual reports and other public disclosure of each of Cliffs and Consolidated Thompson. Reference is made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in Cliffs' Annual Report and Reports on Form 10-K, Form 10-Q and previous documents filed with the Securities and Exchange Commission, which are publicly available on Cliffs' website. The forward-looking statements contained in this news release are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The forward-looking statements contained in this news release are made as of the date of this release and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, Cliffs does not undertake any obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise.

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