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Cliffs Natural Resources Inc. Announces Sale of its Sonoma Coal Mine Interest for AUD$141 Million in Cash Proceeds

CLEVELAND, July 10, 2012 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF) announced today that its wholly owned subsidiary, Cliffs Australia Coal Pty Ltd, has entered into a definitive share and asset sale agreement to sell its 45% economic interest in the Sonoma joint venture coal mine located in Queensland, Australia to QCoal Sonoma Pty Ltd (QCoal). The assets to be sold include Cliffs' interests in the Sonoma mine along with its ownership of the affiliated wash plant. Upon completion of the transaction, Cliffs expects to collect approximately AUD$141 million in cash proceeds. The Company anticipates the transaction to close during the fourth quarter of 2012.

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

In addition to QCoal, the Sonoma joint venture is comprised of three other participants: JS Sonoma Pty Ltd, CSC Sonoma Pty Ltd and Watami (Qld) Pty Ltd. Subject to terms of the existing joint venture agreement, each participant has the right to acquire their pro rata share of Cliffs' interest in the Sonoma joint venture on the terms and conditions of the sale agreement under which QCoal has made its offer to acquire. The participants have 60 days from the date the notice is given to accept the offer. To the extent that the other participants do not exercise their right to acquire their pro rata share of Cliffs' interest, QCoal will acquire those pro rata interests.

Joseph Carrabba, Cliffs' chairman, president and chief executive officer, said, "Cliffs continues to make capital allocation decisions through a process focused on driving top-quartile Total Shareholder Return for our shareholders. This transaction reinforces our strategy to direct management and capital resources towards long-lived expandable assets where Cliffs has operational control."

Cliffs purchased its 45% economic interest in Sonoma in 2007. On a 100% basis, Sonoma's 2011 production and sales volumes totaled 3.5 million and 3.1 million metric tons of coal, respectively. The product mix was approximately two-thirds thermal coal and one-third metallurgical coal. The existing mine manager, Sonoma Mine Management, will continue to be responsible for overseeing the operation with no disruptions.

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, the Company is a major global iron ore producer and a significant producer of high- and low-volatile metallurgical coal. Cliffs' strategy is to continually achieve greater scale and diversification in the mining industry through a focus on serving the world's largest and fastest growing steel markets. Driven by the core values of social, environmental and capital stewardship, Cliffs associates across the globe endeavor to provide all stakeholders operating and financial transparency.

The Company is organized through a global commercial group responsible for sales and delivery of Cliffs products and a global operations group responsible for the production of the minerals the Company markets. Cliffs operates iron ore and coal mines in North America and two iron ore mining complexes in Western Australia. In addition, Cliffs has a major chromite project, in the feasibility stage of development, located in Ontario, Canada.

News releases and other information on the Company are available on the Internet at: http://www.cliffsnaturalresources.com

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: the uncertainty or weakness in global economic and/or market conditions; trends affecting our financial condition, results of operations or future prospects, particularly any slowing of the economic growth rate in China for an extended period; the ability to successfully integrate acquired companies and achieve post-acquisition synergies, including without limitation, Consolidated Thompson; the ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions; the outcome of any contractual disputes with our customers, joint venture partners or significant energy, materials or services providers, or any other litigation or arbitration; changes in sales volume or mix; the impact of price-adjustment factors on our sales contracts; our ability to successfully identify and consummate any strategic investments; unanticipated downturns in business relationships with customers or their purchases from us; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; the results of pre-feasibility and feasibility studies in relation to projects; impacts of increasing governmental regulation, including failure to receive or maintain required environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity; the ability to achieve planned production rates or levels; our actual economic ore reserves or reductions in current resource estimates; adverse changes in currency values, currency exchange rates and interest rates; the ability to maintain adequate liquidity and successfully implement our financing plans; our ability to maintain appropriate relations with unions and employees and renew expiring collective bargaining agreements on satisfactory terms; availability of capital equipment and component parts; the amount and timing of any insurance recovery proceeds with respect to Oak Grove Mine; risks related to international operations; potential existence of significant deficiencies or material weakness in our internal control over financial reporting; and problems or uncertainties with productivity, third-party contractors, unanticipated geological conditions, weather conditions, natural disasters, tons mined, changes in cost factors, the supply or price of energy, equipment failures, transportation, mine-closure obligations and employee benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the 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.

SOURCE Cliffs Natural Resources Inc.