May 26, 2010

Cliffs Natural Resources Inc. Chairman Releases Letter to Shareholders Regarding Australian Government's Proposed "Super Tax"

CLEVELAND--(BUSINESS WIRE)-- Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF) today released a letter to Cliffs shareholders from Joseph Carrabba, the Company's president, chairman and CEO, regarding the Australian Federal Government's proposed "Super Tax."

A copy of the letter follows.

Dear Shareholders:

There has been extensive reporting and speculation around the proposed new "Super Tax" announced by the Australian Federal Government earlier this month. While at the current time it remains only a proposal, with a long legislative process ahead, we believe, if implemented as proposed, this tax would seriously erode the competitiveness of one of Australia's most successful and economically vital industries. I thought it important to frame this issue from the perspective of Cliffs Natural Resources Inc.

The Australian natural resources industry competes in a vast market with many international entities and alternative geographies for investment capital. Over many years Cliffs has made significant Australian investments, especially in more remote parts of Western Australia, and has established a presence in this global steelmaking market through our Asia Pacific Iron Ore business segment. We directly employ approximately 150 salaried employees and over 500 employees indirectly through our contract mining relationships. In 2009, this segment generated U.S. $542 million, or approximately 23%, or our Company's total annual revenues of U.S. $2.3 billion.

All of this would be adversely impacted by an additional and unjustified tax burden. As written, the Government's proposal could result in the total effective tax burden on Cliffs' Australian profits increasing to approximately 60% from a current rate of approximately 39%. This would make the Australian resources industry the highest taxed in the world.

In addition, Cliffs recently completed a feasibility study into the expansion of annual capacity at the Company's primary production complex near Koolyanobbing, Western Australia. This investigation concluded that a possibility exists to increase annual production to approximately 11 million tonnes from a current rate of 8.5 million tonnes. The study demonstrated that there could be significant economic and associated social and community benefits related to such a project. As such, the Cliffs Natural Resources Board of Directors approved a capital proposal to proceed with detailed design and also to place orders for capital equipment that would be used in such a project, considering this equipment generally

requires significant lead times.

It should be understood, however, that our Board provisionally approved this capital with the knowledge that cancellation could be executed if the proposed Australian "Super Tax" legislation resulted in the project no longer being an efficient allocation of our shareholders' capital. This is one of many examples across the Australian mining industry where current and future investments would suffer if the proposed legislation becomes reality.

In defending this proposal, the Australian Federal Government is claiming that the mining industry is not paying its fair share of taxes. We, along with countless others in the industry, argue this is demonstrably not the case. This is not a tax on "Super Profits". It is a new tax added on to the current federal and state taxes, royalties and other taxes already paid by participants in the Australian mining industry. Our Australian-based iron ore operations have contributed A$625 million to tax revenues over the past ten years. During this time, the Company has also invested A$460 million of capital in Australia and created over 400 new jobs.

As many other Australian natural resources producers have communicated, Cliffs believes that any tax reform should not disadvantage the mining industry relative to other industries in Australia. Perhaps more importantly, it should not result in the Australian mining industry being at a competitive disadvantage to other resource-rich countries such as Brazil or Canada. Historically, the natural resources industry has been a major driver of prosperity in Australia. It would be extremely disappointing to see investment incentive destroyed and capital flow out of Australia. Simply put, the long-term, negative socio-economic consequences of adopting this new tax will far outweigh any near-term revenues.

Cliffs Natural Resources and its shareholders have a vital stake in the future of the Australian mining industry. We urge you help educate the political leaders there as to the real impact of this new, major and unwarranted tax imposition.

Sincerely,

Joseph Carrabba
Chairman, President and Chief Executive Officer
Cliffs Natural Resources Inc.

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 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 two coking coal mining complexes 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 America 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.

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Source: Cliffs Natural Resources Inc.