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Cliffs Natural Resources Inc. Announces 2012 Capital Expenditure Plan

Company Also Provides Preliminary Capital Estimates for Chromite Project Based on Ongoing Prefeasibility Study

CLEVELAND, Jan. 19, 2012 /PRNewswire/ -- Cliffs Natural Resources Inc. **(NYSE: CLF) (Paris: CLF)** today announced projected full-year 2012 capital expenditures expectations. Cliffs plans to invest approximately $1 billion, comprised of approximately $300 million of sustaining capital and $700 million of growth and productivity-improvement capital. Cliffs' 2012 capital budget represents an expected 12% increase over the Company's 2011 capital expenditures of approximately $880 million. Cliffs indicated this amount was less than its previous estimate of $900 million and an original 2011 budget of $1 billion.

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

While plans will continue to be reviewed and adjusted in response to changes in market conditions and other factors, Cliffs' 2012 capital budget is primarily intended to fund the organic growth pipeline the Company has acquired through the completion of a number of strategic transactions in recent years. These transactions have meaningfully diversified Cliffs' business and provided the Company significant exposure to customers outside of its historical North American steelmaking customer base.

In addition to the anticipated $300 million of 2012 sustaining capital, listed below are the significant growth and productivity projects earmarked within each of Cliffs' business segments.

U.S. Iron Ore

In its U.S. Iron Ore business segment, Cliffs anticipates spending $60 million in 2012 related to its previously disclosed project to extend the life of Empire Mine to 2015. This project is expected to allow Empire to continue producing at a rate of approximately 3 million tons of iron ore annually through its remaining mine life.

Eastern Canadian Iron Ore

In its Eastern Canadian Iron Ore business segment, Cliffs anticipates spending the following amounts related to growth of its operations:

- $470 million related to Bloom Lake's Phase II expansion to 16 million tons
- $45 million related to port and rail upgrades in Eastern Canada

Asia Pacific Iron Ore

In its Asia Pacific Iron Ore business segment, Cliffs anticipates capital spending of approximately $40 million related to the ongoing capacity expansion of the Koolyanobbing

Complex in Western Australia to 11 million tons.

North American Coal

In its North American Coal business segment, Cliffs anticipates capital spending of approximately $50 million related to growing high-volatile metallurgical coal production capacity from its continuous mining operations in West Virginia.

Preliminary Capital Estimates for Cliffs Chromite Project inNorthern Ontario

As previously disclosed, Cliffs controls three large chromite deposits inNorthern Ontario, Canada. With a timeline to begin production in 2015 from its wholly owned Black Thor deposit, Cliffs is currently in the prefeasibility study phase of the project. As part of prefeasibility, the Company continues to evaluate many factors, scenarios and strategic alternatives that may ultimately impact future investment and timing of the project.

At the time of Cliffs' initial investment in chromite assets in 2009, the Company predicated preliminary comments for capital requirements on a baseline expectation of a project annually producing approximately 600,000 tons of ferrochrome. Subsequently, and after significant additional prefeasibility work, Cliffs now anticipates an expanded project annually producing 1 million tons of export chromite ore concentrate in addition to the original 600,000 tons of ferrochrome.

Preliminary capital estimates for the project, based on prefeasibility work completed to date, include the following major engineering components:

- Mine development – Approximately $150 million
- Near-mine Concentrating Plant – Approximately $800 million
- Ferrochrome Processing Facility – Approximately $1.8 billion

Cliffs also estimates that an integrated transportation system, including an all-weather road servicing the project, would require further investment totaling approximately $600 million, which was not included in Cliffs' initial investment estimate. However, because this transportation system is provincial infrastructure required for the general use of remote northern communities and other Ring of Fire mining projects, Cliffs anticipates its commitment to invest in the all-weather road would be partial, with the balance to be contributed by other industry participants and government entities.

Cliffs indicated that, although it believes the chromite deposits it controls are world-class, a number of additional studies, including feasibility, and other project milestones need to be achieved before the Company begins allocating a significant portion of capital to the project's construction. Based on the completion of these, Cliffs anticipates a majority of the project's anticipated capital requirements would be made in 2014 and 2015, with an early works program initiated prior to 2014 to maintain project execution timeline. More information about the project will be provided upon completion of the prefeasibility study in the first half of 2012.

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. The Company also has a 45% economic interest in a coking and thermal coal mine in Queensland, Australia. In addition, Cliffs has a major chromite project, in the pre-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

'*Safe Harbor' Statement under the Private Securities Litigation Reform Act of 1995*

This release contains "forward-looking" statements within the safe harbor protections 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: 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 of time; Cliffs' ability to achieve the synergies and the strategic and other objectives related to the acquisition of Consolidated Thompson; the outcome of any contractual disputes with our customers or significant suppliers of energy, materials or services; our ability to successfully complete the repair and refurbishment work at the Oak Grove Mine in the expected time frame; the amount and timing of any insurance recovery proceeds with respect to Oak Grove Mine; the impact of price-adjustment factors on our sales contracts; availability of capital equipment and component parts; the failure of plant, equipment or processes to operate as anticipated; 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; unexpected claims, charges, litigation or dispute resolutions; the impact of acquisitions and divestitures; unanticipated difficulties integrating acquisitions; our ability to obtain any permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity; new laws and governmental regulations; the ability to achieve planned production rates or levels; our actual economic ore reserves; reductions in current resource estimates; the ability to maintain adequate liquidity and successfully implement our financing plans; and problems or uncertainties with productivity, third-party contractors, labor disputes, weather conditions, natural disasters, tons mined, changes in cost factors, the supply or price of energy, 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.

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