February 29, 2016

Cliffs Natural Resources Inc. Announces Final Results of Exchange Offers for Senior Notes

CLEVELAND, Feb. 29, 2016 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) announced today the expiration and final results of its private offers (the "Exchange Offers") to certain eligible holders to exchange its newly issued 8.00% 1.5 Lien Senior Secured Notes due 2020 (the "New 1.5 Lien Notes") for certain outstanding notes of Cliffs listed in the table below (the "Existing Notes").

The Company has accepted for exchange approximately $512 million aggregate principal amount of Existing Notes that were tendered in the Exchange Offers for approximately $219 million aggregate principal amount of New 1.5 Lien Notes as of 5:00 p.m., New York City time, on February 26, 2016 (the "Expiration Date"). 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 New 1.5 Lien Notes will accrue from such settlement date.

Lourenco Goncalves, Cliffs' Chairman, President and Chief Executive Officer said, "The final results of these exchange offers came very much in line with our expectations and represent yet another step in improving our balance sheet with the use of liability management activities. This transaction will result in debt reduction of $293 million and annual interest expense reduction of approximately $14 million, while leaving ample 1.5 lien note capacity available for possible future transactions."

Based on information from the exchange agent for the Exchange Offers, the following table sets forth additional details regarding the aggregate principal amounts of the Existing Notes that were validly tendered prior to the Expiration Date:

Title of Series/CUSIP Number of Existing Notes	Aggregate Principal Amount Outstanding (millions)	Total Exchange Consideration[(1)]	Aggregate Principal Amount Tendered (millions)
3.95% Senior Notes due 2018 /18683K AF8*	$311.2	$650.0	$17.6
5.90% Senior Notes due 2020 /18683K AA9	$290.8	$400.0	$65.1
7.75% Second Lien Notes due 2020 /18683K AG6/ U18618AA3	$544.2	$500.0	$114.0
4.80% Senior Notes due 2020 /18683K AB7	$306.7	$400.0	$44.7
4.875% Senior Notes due 2021 /18683K AD3	$412.5	$400.0	$76.3
6.25% Senior Notes due 2040 /18683K AC5	$492.8	$390.0	$194.4

(1) Principal Amount of New 1.5 Lien Notes for each $1,000 principal amount of Existing Notes

* The interest rate payable on our 3.95% Senior Notes due 2018 is subject to adjustment in the event of a change in the credit ratings and is currently at the maximum interest rate of 5.95% per annum.

The settlement date for the Exchange Offers is expected to be on or around March 2, 2016. On such date, the Company expects to issue $219 million in aggregate principal amount of New 1.5 Lien Notes to the former holders of Existing Notes that participated in the Exchange Offers.

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. 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 statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to Cliffs' operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this release, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Uncertainties and risk factors that could affect Cliffs' future performance and cause results to differ from the forward-looking statements in this release include, but are not limited to: trends affecting our financial condition; results of operations or future prospects, particularly the continued volatility of iron ore prices; availability of capital and our ability to maintain adequate liquidity, in particular considering borrowing base reductions from the sale of non-core assets such as North American Coal; our level of indebtedness could limit cash flow available to fund working capital, capital expenditures, acquisitions and other general corporate purposes or ongoing needs of our business, which could prevent us from fulfilling our debt obligations; our ability to successfully consummate any or all of the senior note exchange offers; continued weaknesses in global economic conditions, including downward pressure on prices caused by oversupply or imported products, including the impact of any reduced barriers to trade, recently filed and forthcoming trade cases, reduced market demand and any change to the economic growth rate in China; our ability to reach agreement with our iron ore customers regarding any modifications to sales contract provisions, renewals or new arrangements; uncertainty relating to restructurings in the steel industry and/or affecting the steel industry; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; the impact of our customers reducing their steel production or using other methods to produce steel; our ability to successfully execute an exit option for our Canadian Entities that minimizes the cash outflows and associated liabilities of such entities, including the Companies' Creditors Arrangement Act (Canada) process; our ability to successfully identify and consummate any strategic investments and complete planned divestitures; our

ability to successfully diversify our product mix and add new customers beyond our traditional blast furnace clientele; 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; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; our actual levels of capital spending; our actual economic iron ore reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; 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 laws and 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; 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 or costs, environmental liabilities, employee-benefit costs and other risks of the mining industry; and the risk factors identified in Part I - Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015. 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-final-results-of-exchange-offers-for-senior-notes-300227463.html

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