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Cleveland-Cliffs Announces Expansion Project at Empire and Tilden Mines

Project to Result in Equity Production of Over 23 Million Tons Annually for North American Iron Ore Segment Through 2017

CLEVELAND--(BUSINESS WIRE)--

Cleveland-Cliffs Inc (NYSE: CLF) today announced that its Board of Directors has approved a capital project at its Empire and Tilden mines in Michigan's Upper Peninsula. The project, which requires approximately $290 million of incremental capital investment, is expected to allow the Empire Mine to produce at three million tons annually through 2017 and increase Tilden Mine production by more than two million tons annually. This incremental production is expected to result in total equity production of over 23 million tons annually for the Company's North American Iron Ore business segment. Cliffs said its Empire Mine was previously projected to exhaust reserves in early 2011.

As part of the capacity expansion, Cliffs will also mine additional ore from its Tilden Mine, located adjacent to Empire, and process it utilizing extra processing capacity at Empire. Utilization of this capacity will enable Tilden to increase production to more than 10 million tons annually. Tilden Mine currently has an annual rated capacity of nearly eight million tons, with an expected mine life exceeding 30 years.

Joseph A. Carrabba, Cliffs' chairman, president and chief executive officer, commented: "Expanding our North American iron ore mining capacity will allow Cliffs to benefit from the strong market environment for steelmaking raw materials. Moreover, any pellet production volume in excess of our supply agreement commitments could be sold on the spot market at very attractive price levels."

Cliffs indicated project work is expected to start this year, with the majority of capital expenditures to occur in 2009.

To be added to Cleveland-Cliffs' e-mail distribution list, please click on the link below: http://www.cpg-llc.com/clearsite/clf/emailoptin.html

Cleveland-Cliffs Inc, headquartered in Cleveland, Ohio, is an international mining company, the largest producer of iron ore pellets in North America and a major supplier of metallurgical coal to the global steelmaking industry. The Company operates six iron ore mines in Michigan, Minnesota and Eastern Canada, and three coking coal mines in West Virginia and Alabama. Cliffs also owns 85% of Portman Limited, a large iron ore mining company in Australia, serving the Asian iron ore markets with direct-shipping fines and lump ore. In addition, the Company has a 30% interest in the Amapa Project, a Brazilian iron ore project, and a 45% economic interest in the Sonoma Project, an Australian coking and thermal coal project.

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 the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risk and uncertainties.

Actual results may differ materially from such statements for a variety of reasons, including: the Company funding 100% of the capital required for expansion; changes in the sales mix; the impact of other price-adjustment factors on the Company's North American sales contracts; changes in demand for iron ore pellets by North American integrated steel producers, or changes in Asian iron ore demand due to changes in steel utilization rates, operational factors, electric furnace production or imports into the United States and Canada of semi-finished steel or pig iron; the impact of consolidation and rationalization in the steel industry; availability of capital equipment and component parts; availability of float capacity on the Great Lakes; changes in the financial condition of the Company's partners and/or customers; rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U.S. Bankruptcy Code or similar statutes in other countries; failure of independent contractors to perform; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; inability to achieve expected production levels; reductions in current resource estimates; failure to receive or maintain required environmental permits; the impact of mine closure obligations; problems with productivity, labor disputes, weather conditions, fluctuations in ore grade, tons mined, changes in cost factors including energy costs, transportation and employee benefit costs; the ability to identify, acquire and integrate strategic acquisition candidates; and the effect of these various risks on the Company's future cash flows, debt levels, liquidity and financial position.

Reference is also made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company's Annual Report and Reports on Form 10-K and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cleveland-Cliffs' website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

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

Source: Cleveland-Cliffs Inc