January 14, 2020

Cleveland-Cliffs Inc. Commences Exchange Offers and AK Steel Corporation Commences Consent Solicitations

CLEVELAND & WEST CHESTER, Ohio--(BUSINESS WIRE)-- Cleveland-Cliffs Inc. (NYSE: CLF) ("Cliffs") and AK Steel Holding Corporation (NYSE: AKS) ("AK Steel") today announced that, in connection with the anticipated acquisition of AK Steel by Cliffs, Cliffs has commenced offers to exchange (each an "Exchange Offer" and, collectively, the "Exchange Offers") any and all outstanding 6.375% Senior Notes due 2025 and 7.00% Senior Notes due 2027 issued by AK Steel Corporation, a wholly owned subsidiary of AK Steel, as set forth in the table below (collectively, the "Existing AK Steel Notes") for the same aggregate principal amount of new notes to be issued by Cliffs (the "New Cliffs Notes"). In conjunction with the Exchange Offers, AK Steel Corporation is soliciting consents (each, a "Consent Solicitation" and, collectively, the "Consent Solicitations") to adopt certain proposed amendments to each of the indentures governing the Existing AK Steel Notes to eliminate certain of the covenants, restrictive provisions and events of default from such indentures (the "Proposed Amendments").

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20200114005896/en/

The following table sets forth the amount of the Exchange Consideration (as defined herein) and Consent Payment (as defined herein) for each series of Existing AK Steel Notes:

Title of Series/CUSIP Number of Existing AK Steel Notes	Maturity Date	Aggregate Principal Amount Outstanding	Exchange Consideration(1)	Consent Payment(1)(2)
6.375% Senior Notes due 2025 / 001546AV2	October 15, 2025	$ 270,232,000	$1,000 principal amount of New Cliffs 6.375% Senior Notes due 2025	$2.50 in cash
7.00% Senior Notes due 2027 / 001546AU4	March 15, 2027	$ 391,632,000	$1,000 principal amount of New Cliffs 7.00% Senior Notes due 2027	$2.50 in cash

(1)For each $1,000 principal amount of Existing AK Steel Notes accepted for exchange.

(2)In order to receive the Consent Payment, Eligible Holders (as defined herein) of Existing AK Steel Notes must, at or prior to the Early Participation Date (as defined below), validly deliver (or be deemed to so deliver) and not validly revoke consents.

Cliffs and AK Steel Corporation are making the Exchange Offers and Consent Solicitations pursuant to the terms of and subject to the conditions set forth in the offering memorandum and consent solicitation statement dated January 14, 2020 (the "Offering Memorandum and Consent Solicitation Statement").

For each $1,000 principal amount of Existing AK Steel Notes validly tendered prior to 12:01 a.m., New York City time, on February 12, 2020 (the "Expiration Date") and not validly withdrawn, Eligible Holders of Existing AK Steel Notes will be eligible to receive the applicable exchange consideration set out in the table above (the "Exchange Consideration"). Existing AK Steel Notes that have been validly tendered may be withdrawn at any time prior to the Expiration Date. However, to be eligible to receive the Exchange

Consideration, such withdrawn Existing AK Steel Notes must be validly re-tendered and not validly withdrawn prior to the Expiration Date. Any Eligible Holder of Existing AK Steel Notes that validly delivers (or is deemed to have validly delivered) a consent at or prior to 5:00 p.m., New York City time, on January 28, 2020, unless extended, and does not validly revoke such consent at or prior to the Consent Revocation Deadline (as defined in the Offering Memorandum and Consent Solicitation Statement), will be entitled to receive the applicable Consent Payment set out in the table above (the "Consent Payment"). The settlement date is expected to be two business days after the Expiration Date. Cliffs and AK Steel Corporation currently expect that the Expiration Date will be extended to coincide with the date of the consummation of the Merger (defined below).

The New Cliffs Notes will be guaranteed on a senior unsecured basis by its material direct and indirect wholly owned domestic subsidiaries, including AK Steel, AK Steel Corporation and its subsidiaries that guarantee the Existing AK Steel Notes. The Exchange Offers are expected to result in reduced liquidity for the Existing AK Steel Notes and, if adopted, the Proposed Amendments will remove the restrictive covenants and some other terms of the Existing AK Steel Notes and will afford reduced protection to holders of those securities. Further, neither Cliffs nor its current subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Existing AK Steel Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. Following the consummation of the Merger, however, AK Steel Corporation will be a subsidiary of Cliffs and will continue to have an obligation to pay amounts due under the Existing AK Steel Notes.

The Exchange Offers and Consent Solicitations are conditioned upon the consummation of the pending acquisition of AK Steel by Cliffs pursuant to the Agreement and Plan of Merger, dated as of December 2, 2019 (as it may be amended, the "Merger Agreement"), by and among Cliffs, AK Steel and Pepper Merger Sub Inc., a direct wholly owned subsidiary of Cliffs ("Merger Sub"), which condition cannot be waived. Subject to the terms and conditions of the Merger Agreement, Merger Sub will merge with and into AK Steel (the "Merger") with AK Steel surviving the Merger as a wholly owned subsidiary of Cliffs. Additionally, each Exchange Offer and Consent Solicitation is conditioned upon the completion of the other Exchange Offer and Consent Solicitation, although Cliffs may waive such condition at any time with respect to either Exchange Offer. AK Steel Corporation has agreed that any waiver of such condition by Cliffs with respect to either Exchange Offer will automatically waive such condition with respect to the corresponding Consent Solicitation, as applicable. The consummation of the Merger is not conditioned upon the successful closing of any Exchange Offer or Consent Solicitation.

The Offering Memorandum and Consent Solicitation Statement and other documents relating to the Exchange Offers and Consent Solicitations will only be distributed to Eligible Holders of Existing AK Steel Notes who complete and return an eligibility form confirming that they are either (a) a "Qualified Institutional Buyer" as that term is defined in Rule 144A under the Securities Act of 1933, as amended, or (b) a person that is outside the "United States" and is (i) not a "U.S. person," as those terms are defined in Rule 902 under the Securities Act of 1933, as amended, and (ii) a "non-U.S. qualified offeree" (as defined in the Offering Memorandum and Consent Solicitation Statement) (such holders, the "Eligible Holders"). Holders of Existing AK Steel Notes who desire to obtain and complete an eligibility form should either visit the website for this purpose at http://www.gbsc-

usa.com/eligibility/cliffs or call Global Bondholder Services Corporation, the Information Agent and Exchange Agent for the Exchange Offers and Consent Solicitations at (866) 924-2200 (toll-free) or (212) 430-3774 (collect for banks and brokers).

The New Cliffs Notes have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws. Therefore, the New Cliffs Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws.

About Cleveland-Cliffs

Founded in 1847, Cliffs is the largest and oldest independent iron ore mining company in the United States. Cliffs 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. By 2020, Cliffs expects to be the sole producer of hot briquetted iron (HBI) in the Great Lakes region with the development of its first production plant in Toledo, Ohio. Driven by the core values of safety, social, environmental and capital stewardship, Cliffs' employees endeavor to provide all stakeholders with operating and financial transparency.

About AK Steel

AK Steel is a leading producer of flat-rolled carbon, stainless and electrical steel products, primarily for the automotive, infrastructure and manufacturing, including electrical power, and distributors and converters markets. Through its subsidiaries, the company also provides customer solutions with carbon and stainless steel tubing products, hot- and cold-stamped components, and die design and tooling. Headquartered in West Chester, Ohio (Greater Cincinnati), the company has approximately 9,500 employees at manufacturing operations in the United States, Canada and Mexico, and facilities in Western Europe.

Forward-looking Statements

This communication contains certain forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. When used in this communication, words such as "anticipate," "assume," "believe," "build," "continue," "create," "design," "estimate," "expect," "focus," "forecast," "future," "goal," "guidance," "imply," "intend," "look," "objective," "opportunity," "outlook," "plan," "position," "potential," "predict," "project," "prospective," "pursue," "seek," "strategy," "target," "work," "could," "may," "should," "would," "will" or the negative of such terms or other variations thereof and words and terms of similar substance may identify forward-looking statements, including statements with respect to the businesses, strategies and plans of AK Steel and Cliffs, their expectations relating to the Merger, including the expected benefits of the proposed Merger and the anticipated completion of the proposed Merger or the timing thereof, and their respective future financial condition and performance and expectations, estimates and projections about Cliffs' or AK Steel's respective industries or businesses. Cliffs and AK Steel caution investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. Investors are cautioned not to place undue

reliance on forward-looking statements. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following: the risk that the Merger Agreement may be terminated in accordance with its terms and that the Merger may not be completed; the possibility that Cliffs shareholders may not approve the Merger Agreement and the transactions contemplated by the Merger Agreement, including the issuance of Cliffs common shares in connection with the Merger; the possibility that AK Steel stockholders may not adopt the Merger Agreement; the risk that the parties may not be able to satisfy any or all of the conditions to the completion of the Merger in a timely manner or at all; the risk that governmental agencies may require Cliffs to agree to certain restrictions on the combined company's business in order to obtain the required regulatory approvals for the Merger, which may negatively impact the combined company's results of operations; the risk that the Merger may be less accretive than expected, or may be dilutive, to Cliffs' earnings per share, which may negatively affect the market price of Cliffs common shares; the possibility that Cliffs and AK Steel will incur significant transaction and other costs in connection with the Merger, which may be in excess of those anticipated by Cliffs or AK Steel; the risk that the financing transactions to be undertaken in connection with the Merger have a negative impact on the combined company's credit profile or financial condition; the risk that Cliffs may fail to realize the benefits expected from the Merger; the risk that the combined company may be unable to achieve anticipated synergies or that it may take longer than expected to achieve those synergies; the risk that any announcements relating to, or the completion of, the Merger could have adverse effects on the market price of Cliffs common shares; the risk related to any unforeseen liability and future capital expenditure of AK Steel or Cliffs; the risk that litigation relating to the Merger may be brought against Cliffs, AK Steel or their respective directors; the risks related to Cliffs' ability to issue new senior notes or obtain a new revolving credit facility in connection with the Merger on favorable terms, if at all; the risk that the Merger and its announcement or completion could have an adverse effect on the ability of Cliffs and AK Steel to retain customers, retain and hire key personnel and/or maintain relationships with their suppliers and business partners; and the risk of any changes in general economic, market or business conditions, or changes in the economic or financial condition of Cliffs and AK Steel. Other risks to Cliffs and AK Steel and factors that may present significant additional obstacles to the realization of forward-looking statements or that could have a material adverse effect on Cliffs' and AK Steel's respective financial condition, operating results, credit rating, liquidity and businesses generally are described under the caption "Risk Factors" in Cliffs' and AK Steel's respective Annual Reports on Form 10-K for the year ended December 31, 2018 and other periodic reports filed with the Securities and Exchange Commission (the "SEC") as well as in the Registration Statement (as defined below).

Unless expressly stated otherwise, forward-looking statements are based on the expectations and beliefs of the respective management teams of Cliffs and AK Steel based on information currently available. Forward-looking statements are subject to inherent risks and uncertainties and are based on assumptions and estimates that are inherently affected by the respective operations and business environments of Cliffs and AK Steel, including economic, competitive, regulatory and operational risks, many of which are beyond the control of Cliffs and AK Steel and which are difficult to predict and may turn out to be wrong. The foregoing list of factors should not be construed to be exhaustive. There is no assurance that the actions, events or results of the forward-looking statements will occur, or, if any of them do, when they will occur or what effect they will have on the results of operations, financial condition or cash flows of Cliffs or AK Steel. In view of these uncertainties, Cliffs

and AK Steel caution that investors should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, Cliffs and AK Steel undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Additional Information and Where to Find It

In connection with the proposed Merger, on January 8, 2020, Cliffs filed with the SEC a registration statement on Form S-4 (File No. 333-235855) (as it may be amended and supplemented from time to time, the "Registration Statement") that includes a joint proxy statement of Cliffs and AK Steel and also constitutes a prospectus of Cliffs. Cliffs and AK Steel may also file other documents with the SEC regarding the proposed Merger. This communication is not a substitute for the Registration Statement or any other such document that Cliffs or AK Steel may file with the SEC. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The definitive joint proxy statement/prospectus will be mailed to shareholders of Cliffs and stockholders of AK Steel. Investors and securityholders may obtain copies of the Registration Statement and the other documents filed with the SEC free of charge at the SEC's website, www.sec.gov. Documents filed with the SEC by Cliffs are also available from Cliffs free of charge at its website, www.clevelandcliffs.com, or by contacting Cliffs' Investor Relations at 216.694.6544. Documents filed with the SEC by AK Steel are also available from AK Steel free of charge at its website, www.aksteel.com, or by contacting AK Steel's Investor Relations at 513.425.5215.

Participants in the Solicitation Regarding the Proposed Merger

Cliffs and AK Steel and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed Merger. Information regarding Cliffs' directors and officers, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement for Cliffs' 2019 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 12, 2019. Information concerning AK Steel's directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement for AK Steel's 2019 annual meeting of stockholders, as filed with the SEC on Schedule 14A on April 10, 2019. Additional information regarding the interests of these participants are included in the joint proxy statement/prospectus that forms part of the Registration Statement initially filed with the SEC on January 8, 2020, as well as other relevant materials filed with the SEC when such materials become available. Free copies of these documents may be obtained from the sources indicated above.

No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell or purchase, or

the solicitation of an offer to sell or purchase, or the solicitation of any vote of approval or the solicitation of tenders or consents with respect to any security. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In the case of the Exchange Offers and Consent Solicitations, the Exchange Offers and Consent Solicitations are being made solely pursuant to the Offering Memorandum and Consent Solicitation Statement and only to such persons and in such jurisdictions as is permitted under applicable law.

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