



Cliffs Natural Resources Inc.

FORWARD-LOOKING STATEMENTS; IMPORTANT ADDITIONAL INFORMATION

This presentation 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 presentation, 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 presentation include, but are not limited to: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand, increases in supply and any slowing of the economic growth rate in China; our ability to successfully identify and consummate any strategic investments or capital projects and complete planned divestitures; our ability to successfully integrate acquired companies into our operations and achieve post-acquisition synergies, including without limitation, Cliffs Quebec Iron Mining Limited (formerly Consolidated Thompson Iron Mining Limited); our ability to cost effectively achieve planned production rates or levels; changes in sales volume or mix; 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 impact of price-adjustment factors on our sales contracts; the ability of our customers and joint venture partners to meet their obligations to us on a timely basis or at all; our ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions to reflect a shorter-term or spot-based pricing mechanism; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; the impact of our customers using other methods to produce steel or reducing their steel production; 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 development projects; impacts of existing and increasing governmental 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; 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; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; risks related to international operations; the potential existence of significant deficiencies or material weakness in our internal controls over financial reporting; and problems or uncertainties with leasehold interests, productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry. The information contained herein speaks as of the date of this presentation 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 presentation.

Important Additional Information

Cliffs, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Cliffs shareholders in connection with the matters to be considered at Cliffs' 2014 Annual Meeting. Cliffs intends to file a proxy statement with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Cliffs shareholders. **CLIFFS SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Information regarding the ownership of Cliffs' directors and executive officers in Cliffs shares, restricted shares and options is included in their SEC filings on Forms 3, 4 and 5. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with Cliffs' 2014 Annual Meeting. Information can also be found in Cliffs' Annual Report on Form 10-K for the year ended Dec. 31, 2013, filed with the SEC on Feb. 14, 2014. Shareholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by Cliffs with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at Cliffs' website at www.cliffsnr.com or by contacting Carolyn Cheverine, Vice President, General Counsel & Secretary at (216) 694-7605. Shareholders may also contact D.F. King & Co., Inc., Cliffs' proxy solicitor, toll-free at (800) 487-4870 or by email at cliffs@dfking.com.

CLIFFS' EXECUTIVE TEAM



Gary Halverson

President & Chief Executive Officer



Terry Paradie

Executive Vice President & Chief Financial Officer



Kelly Tompkins

Executive Vice President, External Affairs & President -
Global Commercial

CLIFFS HAS FIRMLY ESTABLISHED A NEW STRATEGIC DIRECTION

- Cliffs' Board of Directors has been strengthened and is fully-engaged
- Cliffs' Board of Directors installed a new management team to drive action and accountability for results
- New CEO and leadership team have reset strategic course and improved operating and financial discipline
- Efficient and return-driven capital allocation mindset is guiding all strategic decisions
- The focus of Cliffs' Board of Directors and management is to drive long-term shareholder value

GARY HALVERSON – CLIFFS' PRESIDENT AND CHIEF EXECUTIVE OFFICER



- Recently transitioned to Chief Executive Officer after joining as Chief Operating Officer in November 2013.
- Most recently was Barrick Gold Corporation Inc.'s interim COO. Previously served as President of Barrick's largest business unit, which generated 39% of 2012 total revenue¹.

DEEP MINING EXPERTISE

- 30 years of mining experience
- Underground and open-pit mining
- Mineral processing
- Strong project execution track record

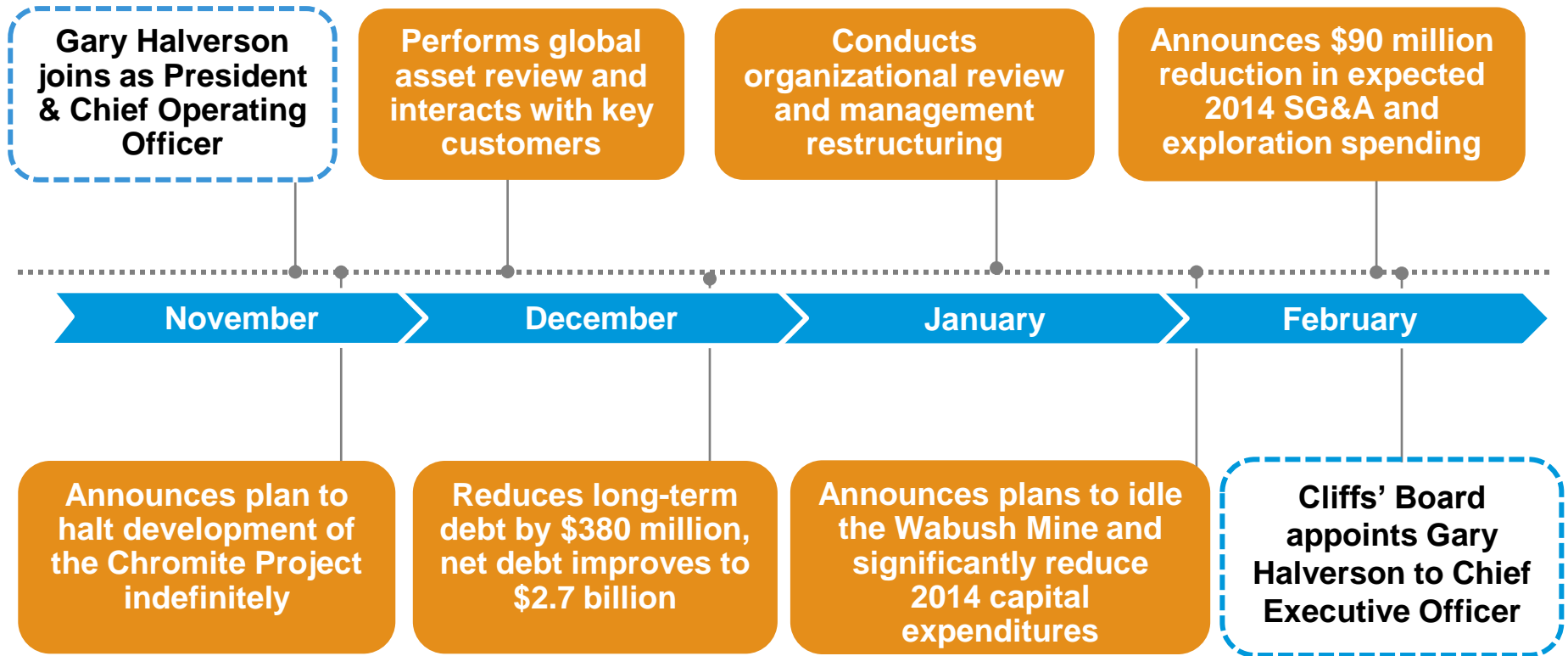
GLOBAL EXPERIENCE

- Familiar with Cliffs' operating footprint
- Led operations in U.S., Canada and Australia with similar size and complexity to Cliffs

FINANCIAL DISCIPLINE

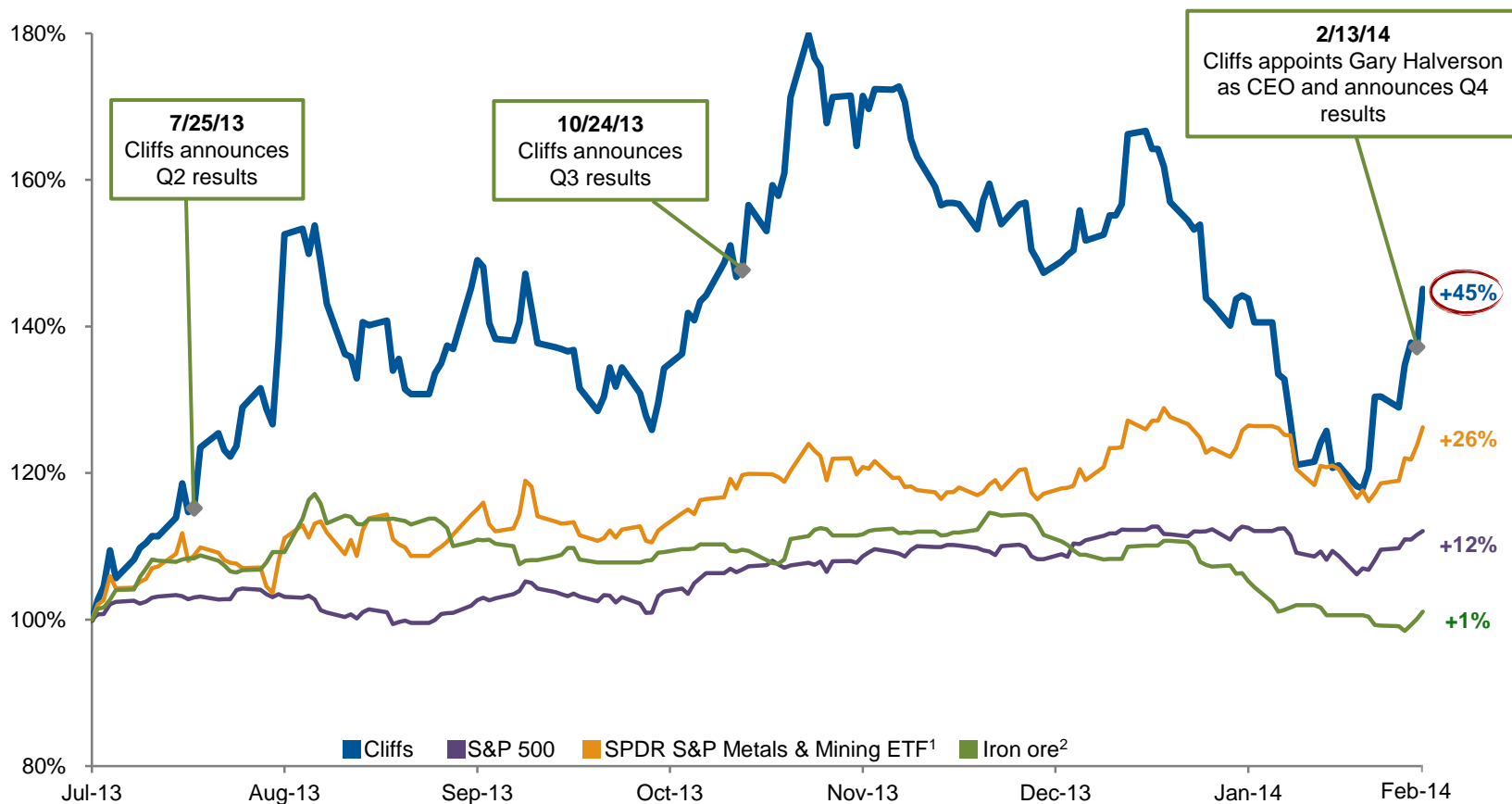
- Demonstrated rigorous capital allocation application through volatile commodity pricing environments
- Understands profitability drivers and returns on capital
- Regional operating leader at Placer Dome prior to Barrick's acquisition

NEW EXECUTIVE LEADERSHIP HAS MOVED QUICKLY TO RESET STRATEGIC DIRECTION AND IMPOSE FINANCIAL AND OPERATING DISCIPLINE

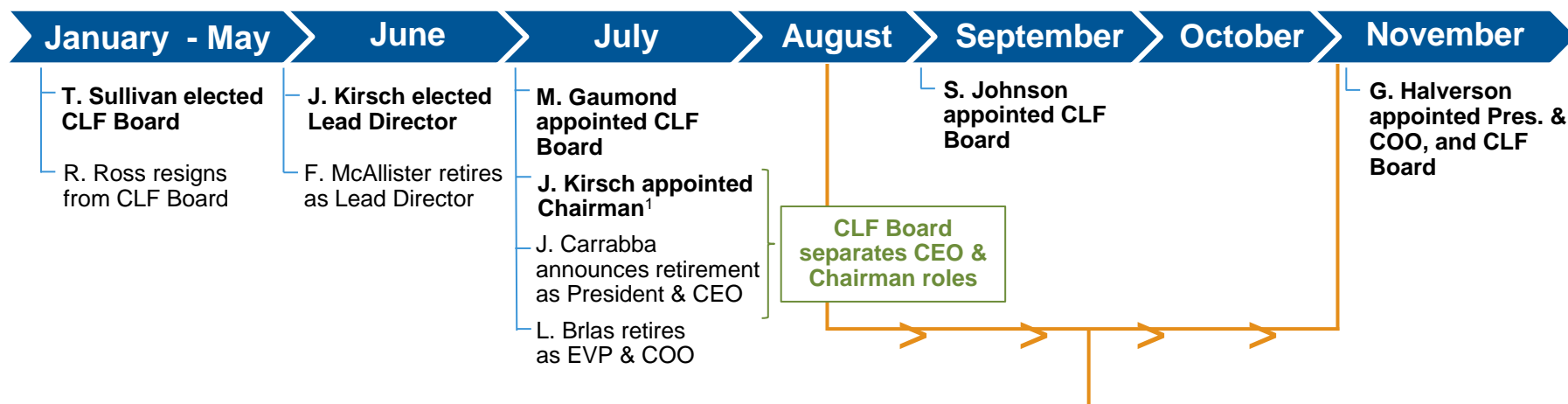


ACTIONS TAKEN BY CLIFFS' BOARD AND IMPROVED FINANCIAL PERFORMANCE HAVE DIRECTLY IMPACTED THE COMPANY'S VALUATION

Share price performance since announcement of Cliffs' CEO succession initiated (prices indexed to 7/8/2013)



CLIFFS' ENGAGED BOARD OF DIRECTORS ENACTED SIGNIFICANT LEADERSHIP CHANGES



CEO SEARCH INITIATED AFTER CHANGE IN LEADERSHIP OF THE BOARD

The Board directed a rigorous and independent CEO search with the assistance of a leading search firm

- Internal and external candidates were evaluated
- Priority was for **global experience** in mining and large capital project management
- Search focused on leaders with significant experience in large well-structured, **top-tier mining companies** with strong processes and disciplines
 - Outstanding experience in **operational mining** and extensive experience in North America
 - A **track record of successful** personal delivery of major **capital projects – greenfield and brownfield**

More than
90 candidates
considered

Full Board was
engaged and
interviewed all
finalist candidates

CLIFFS' ROBUST AND INDEPENDENT GOVERNANCE PROCESS ATTRACTED THREE HIGHLY QUALIFIED INDEPENDENT DIRECTORS IN 2013

Mark Gaumond



Occupation: Corporate Director

- Former Senior Vice Chair – Americas of Ernst & Young LLP
- Audit partner on several major clients
- Extensive managerial, financial and accounting experience
- Critical contribution to the Board's oversight of Cliffs' financial performance, reporting and controls

Current Directorships:

- Rayonier
- Booz Allen Hamilton

Current Cliffs Committee Memberships:

- Audit Committee
- Compensation and Organization Committee

Stephen Johnson



Occupation: Corporate Director

- Former Chairman, President, CEO and Board member of McDermott International
- Senior Executive Vice President and Member, Office of the Chairman at Washington Group International
- Deep expertise in the engineering and construction industry
- Broad managerial experience both in the U.S. and overseas

Current Cliffs Committee Memberships:

- Audit Committee
- Governance and Nominating Committee

Timothy Sullivan



Occupation: President and CEO, Gardner Denver

- Former President and CEO of Bucyrus International Inc.
- Former President and CEO of United Container
- Significant experience in the mining equipment industry

Current Directorships:

- Aurora Health Care, Inc.
- Northwestern Mutual Life Insurance Company

Current Cliffs Committee Memberships:

- Chair of the Compensation and Organization Committee
- Strategy and Sustainability Committee

CLIFFS INDEPENDENT BOARD – THE RIGHT EXPERIENCE TO LEAD CLIFFS



Independent Oversight

- Separate roles of CEO and Board Chairman
- 9 of the 11 Board members are independent; Executive Chairman is considered “dependent” on an interim basis
- Continuously reviewing best corporate governance practices



Infusion of New Perspectives and Accountability

- Four highly qualified Directors appointed in 2013 who are recognized leaders in their respective fields have challenged conventional thinking and helped the Board take decisive action in response to challenges faced by Cliffs



Relevant Industry Experience and Long-term Strategy

- Experience of leading large corporations with global operations in cyclical industries (Mining, Steel, Basic Materials, Energy & Power, Engineering)
- Critical skills and expertise to guide Cliffs’ long-term strategy and create value for stakeholders
- 7 of the 11 Board members are current or former CEOs



Healthy Turnover at Cliffs Board

- Nearly two-thirds of the Board has been reconstituted since 2010



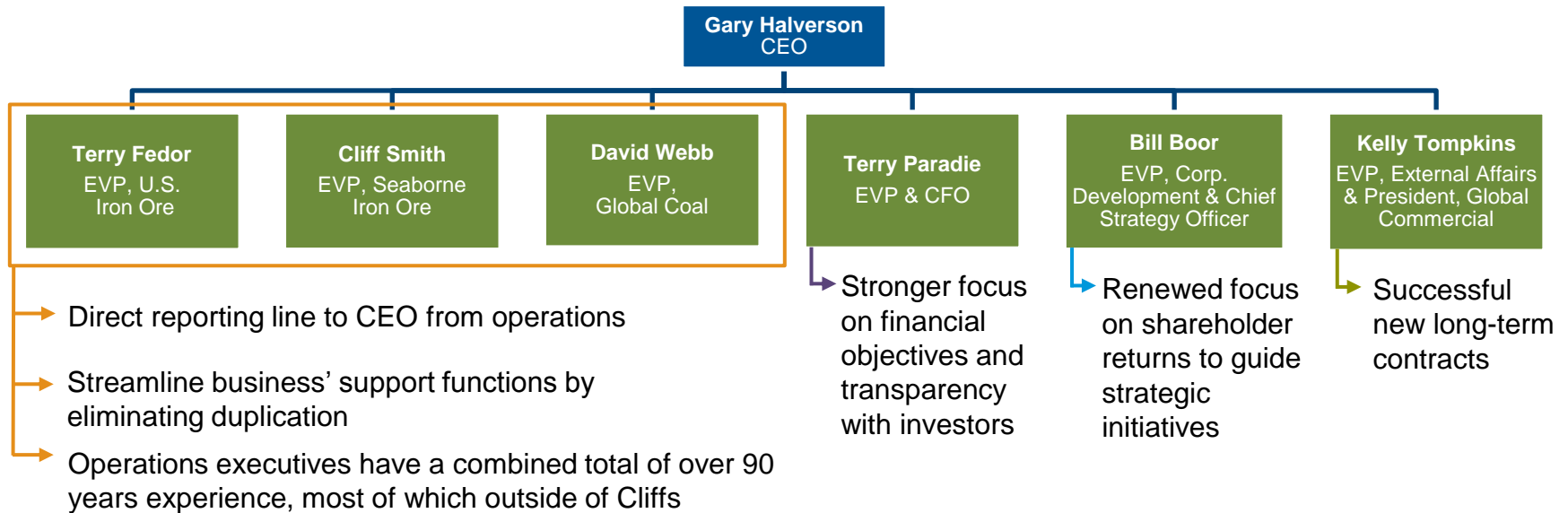
Aggressively Involved in Driving Shareholder Return

- Committed to act in the interest of ALL shareholders
- Position management incentives in alignment with shareholder returns

CLIFFS BOARD OF DIRECTORS ARE HIGHLY QUALIFIED

Director	CEO / CFO / Finance / Legal Experience	Public Company with Global Operations	Basic Materials/Mining Experience
Gary B. Halverson	✓	✓	✓
Susan M. Cunningham		✓	✓
Barry J. Eldridge	✓		✓
Mark E. Gaumond	✓	✓	
Andrés R. Gluski	✓	✓	✓
Susan M. Green	✓		
Janice K. Henry	✓	✓	✓
James F. Kirsch	✓	✓	✓
Stephen Johnson	✓	✓	
Richard K. Riederer	✓		✓
Timothy W. Sullivan	✓	✓	✓

SIGNIFICANT SENIOR MANAGEMENT AND ORGANIZATIONAL CHANGES



“Right-sized” and **de-layered** top levels of management



Streamlined organizational structure will **reduce costs** and enable **more effective decision making** and **accountability**



32% decrease in Cliffs' Officer-level executives over the last 12 months

CLIFFS' GUIDING PRINCIPLES - FOCUSED ON SUPPLYING THE GLOBAL STEELMAKING INDUSTRY TO DRIVE LONG-TERM SHAREHOLDER VALUE



OPERATIONAL EXCELLENCE

- Safety
- Continuous improvement
- Environmental stewardship
- Leading innovator in mineral processing

FINANCIAL DISCIPLINE

- Return-driven capital allocation strategy
- Focus on free-cash-flow generation
- Implementation of lean processes
- Management incentives aligned with shareholders

CUSTOMER EXCELLENCE

- Close, technical-based customer relationships
- Diverse customer end-market mix
- Reliable supplier of high-quality products

STRENGTH IN PEOPLE

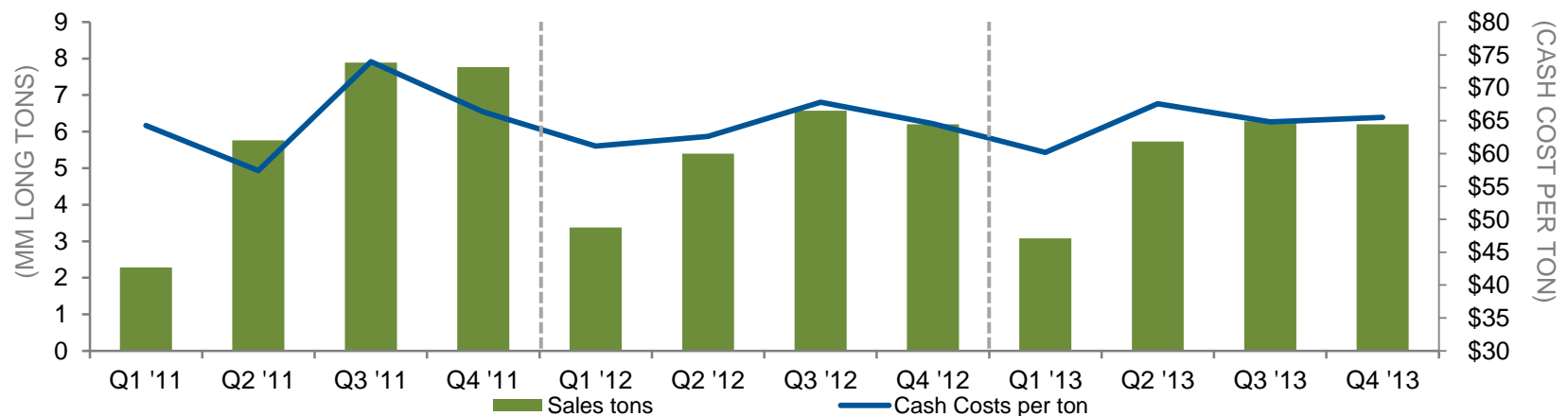
- Diverse, highly qualified Board makeup
- Top talent from wide-range of industries
- Open communication channels at all levels in the organization

UNITED STATES IRON ORE

- Cliffs' core business and a reliable generator of cash
- Limited exposure to volatile seaborne iron ore prices
- New commercial contracts provide for consistent long-term sales volume
- Ability to export high-quality pellets into the international seaborne market
- DR/DRI opportunities actively underway



SALES VOLUME AND CASH COSTS PER TON



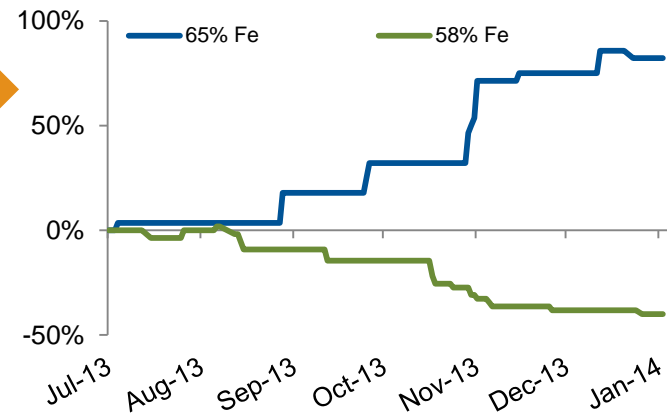
EASTERN CANADIAN IRON ORE

- Full-year 2014 capital spending reduced to license-to-operate and sustaining capital only: ~\$200 million
- Bloom Lake strategy involves actively evaluating alternatives for long-term value generation
- Pursuing Phase I at Bloom Lake to optimize profile and maximize optionality with asset
- Focus on improving operating cash costs at Bloom Lake under new leadership
- Increased premiums for high-quality and high iron content emerging in marketplace
- Full-year 2014 volumes fully committed
- Recently announced idle of Wabush Mine, an underperforming asset



FE CONTENT PREMIUMS/DISCOUNTS

(FROM JULY 2013 TO JAN 2014)



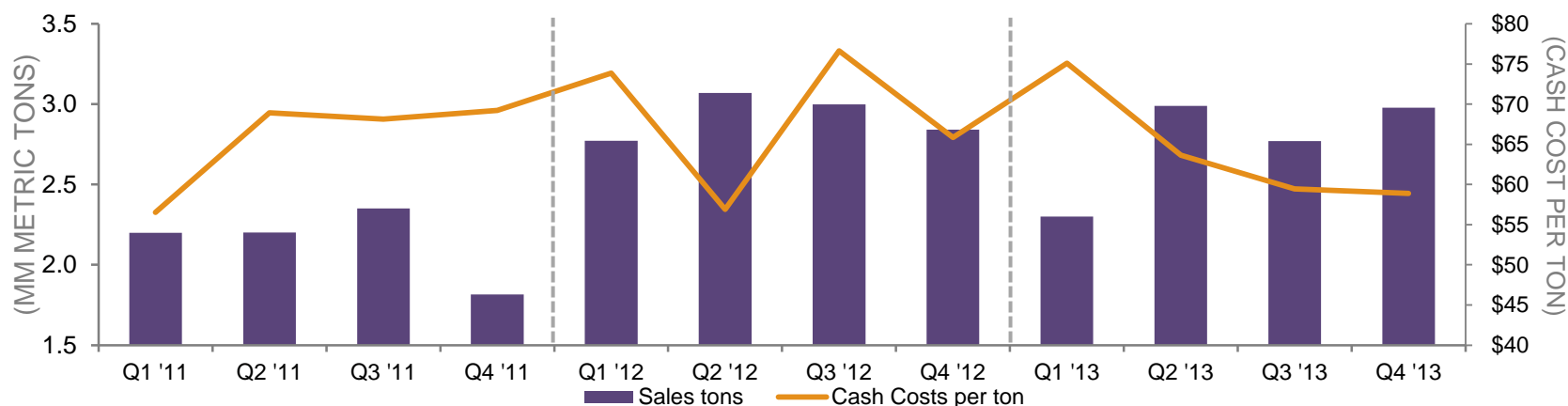
EFFICIENT CAPITAL ALLOCATION
– NOT TOP LINE GROWTH AND DIVERSIFICATION –
WILL DRIVE STRATEGIC DECISIONS

ASIA PACIFIC IRON ORE

- An efficient cash generator
- Reliable supplier to steelmakers in Asia and an established platform for expanding global steel relationships
- Cost upside from favorable Australian to U.S. dollar exchange rate
- Pursuing mine life expansion opportunities



SALES VOLUME AND CASH COSTS PER TON

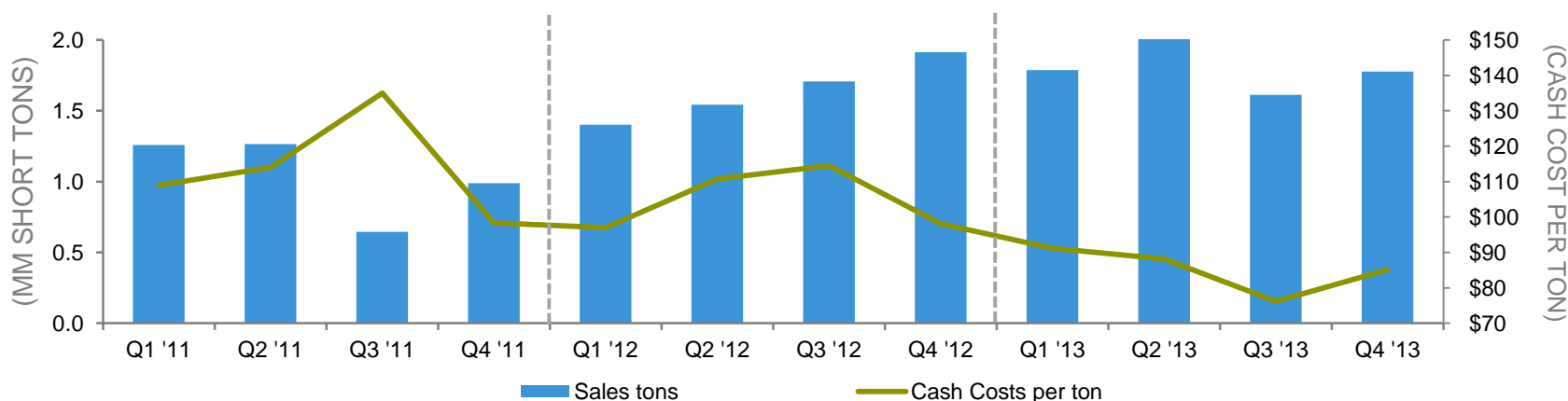


NORTH AMERICAN COAL

- A North American first-quartile cost producer
- Expanded and diversified geographical market share with Tier I customers and attracting superior talent during current downturn
- Well positioned to generate cash from expected rebound in global pricing
- Primarily high-quality metallurgical coal product mix



SALES VOLUME AND CASH COSTS PER TON

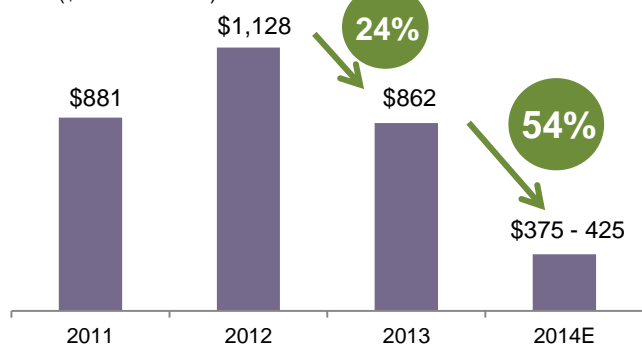


TWO FUNDAMENTAL CHANGES FOR CLIFFS UNDERWAY

Capital Discipline

CAPITAL EXPENDITURES¹

(\$ IN MILLIONS)

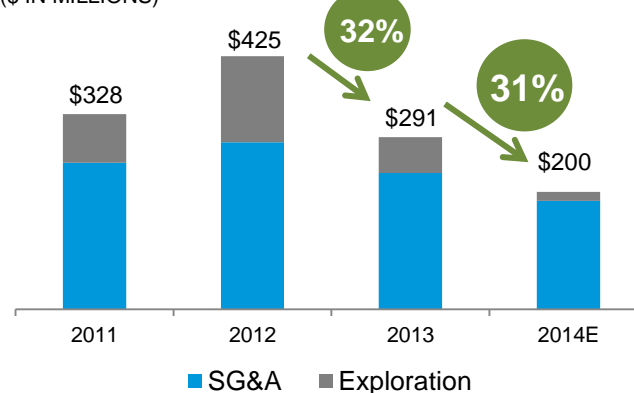


- Ongoing focus on free cash flow generation
- Improve performance of currently owned assets
- Lower net debt position

Streamlined Structure Lower Costs

SG&A and EXPLORATION¹

(\$ IN MILLIONS)



- “Right-size” and delayer top levels of management
- Create direct reporting line to CEO from operations
- Streamline the business’ support functions by eliminating duplication

NEW LEADERSHIP DRIVING IMPROVED RESULTS

2013 FINANCIAL HIGHLIGHTS¹

FY 2013
**Adjusted
EBITDA***
\$1.5B

FY 2013
**SG&A and
Exploration
Expenses**
32%

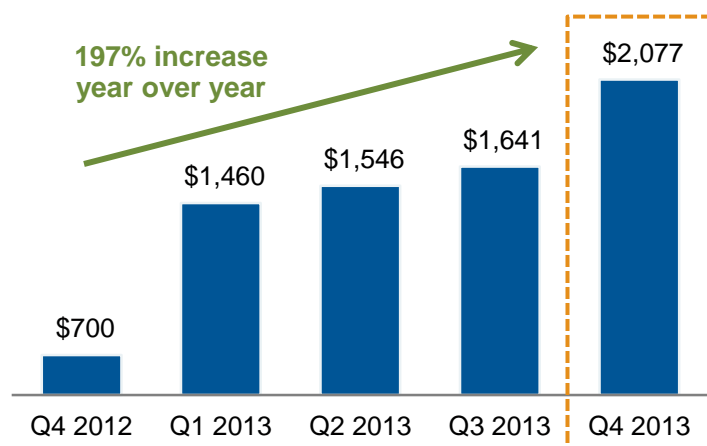
FY 2013
**Cash from
Operations**
\$1.1B

FY 2014
**Capital
Spending
Budget**
54%

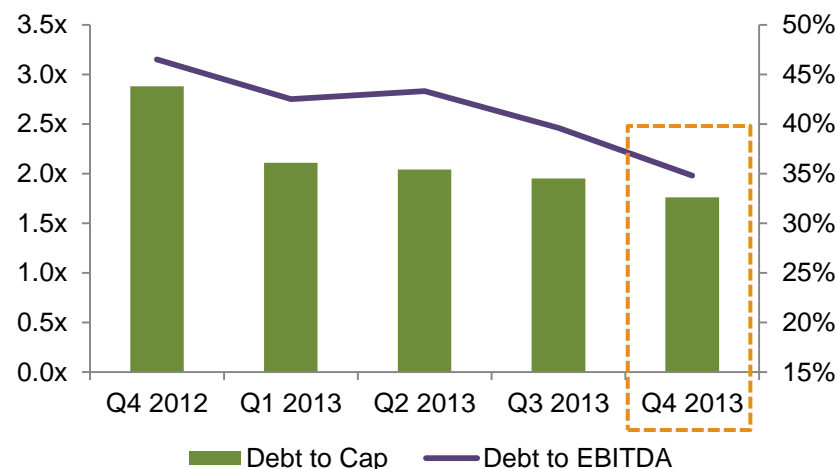
TTM
**Debt to
EBITDA**
<2.0x

LIQUIDITY POSITION

(\$ IN MILLIONS)



LEVERAGE PROFILE



STABLE 2014 OUTLOOK

FULL-YEAR SEGMENT EXPECTATIONS

	Sales Volume ¹	Revenues/ton ²	Costs/ton	DD&A/ton
U.S. Iron Ore³	22 - 23	\$105 - \$110 (+/- \$2)	\$65 - \$70	\$7
Eastern Canada Iron Ore⁴	6 - 7	\$95 - \$100 (+/- \$9)	\$85 - \$90	\$25
Asia Pacific Iron Ore⁵	10 - 11	\$100 - \$105 (+/- \$9)	\$60 - \$65	\$14
North American Coal⁶	7 - 8	\$85 - \$90	\$85 - \$90	\$15

FULL-YEAR OTHER CONSOLIDATED EXPECTATIONS

SG&A	Exploration	Capital Expenditures	Other	DD&A
\$185 million	\$15 million	\$375 - \$425 million	\$100 million Wabush related	\$600 million



Recent Developments

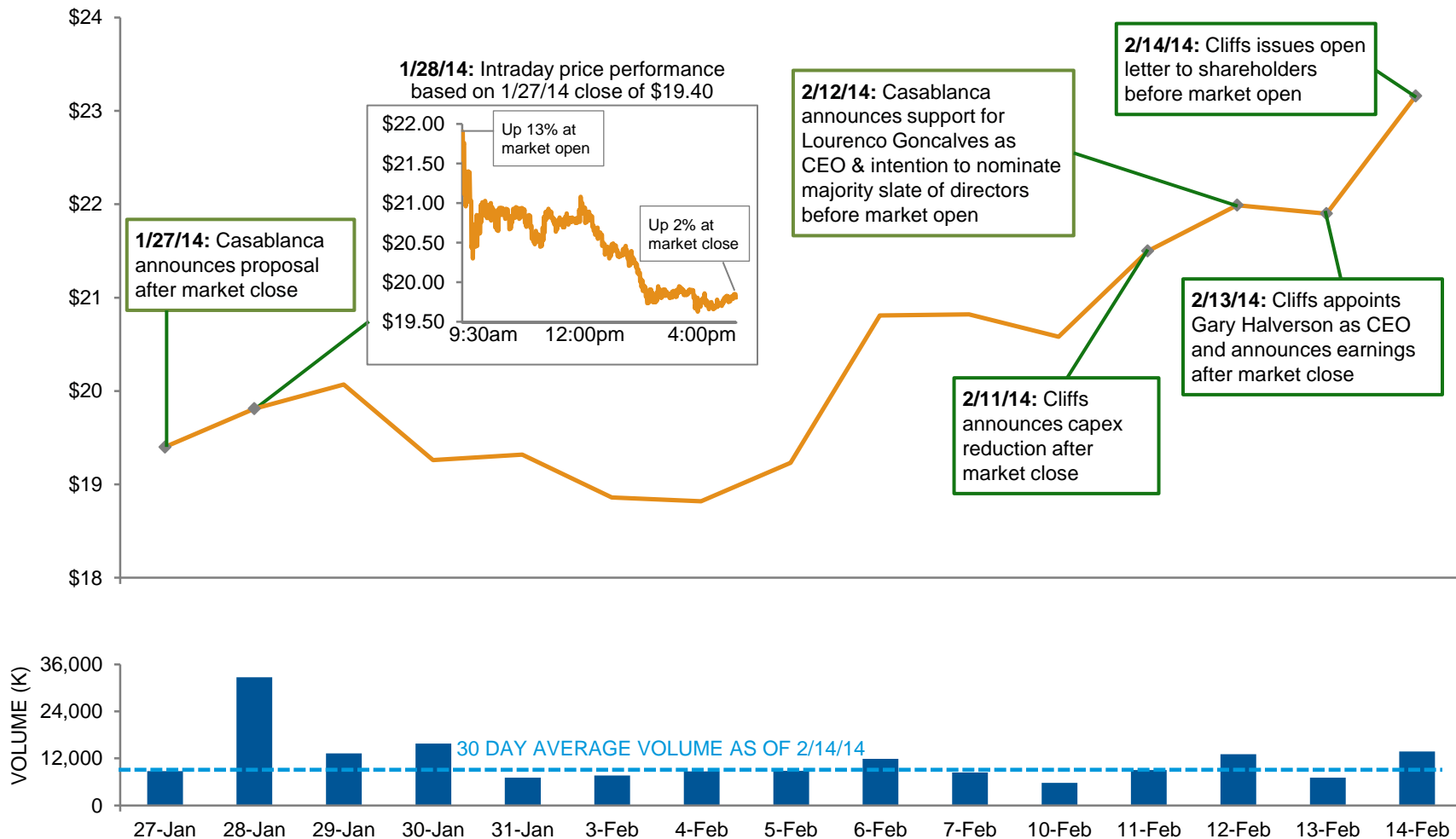
CLIFFS' RESPONSES TO CASABLANCA'S PROPOSAL

TOPIC	CASABLANCA'S PROPOSAL	OBSERVATIONS	CLIFFS' PLAN
CEO	<i>"Lourenco Goncalves will make a better CEO than Gary..."</i>	<ul style="list-style-type: none"> Goncalves' experience is primarily in metals processing and distribution 	<ul style="list-style-type: none"> Gary Halverson is a highly experienced mining executive with a proven track record, selected following an extensive search and evaluation process amongst over 90 candidates
Bloom Lake and APIO	<i>"Separate Cliffs' U.S., Eastern Canadian and Asia Pacific operations..."</i>	<ul style="list-style-type: none"> Cliffs does not trade at a discount to its peers Flawed assumptions, ignores dis-synergies Neglects Cliffs International's need to have financial strength to operate in a volatile pricing environment Risks negative ratings impact on both Cliffs USA and Cliffs International Leaves Cliffs USA a smaller and less-diversified entity 	<ul style="list-style-type: none"> Cliffs' Bloom Lake strategy involves actively evaluating alternatives to arrive at most value-enhancing alternative for shareholders Alternatives range from a strategic partnership to a sale Pursuing Phase I production at Bloom Lake to optimize performance and maximize optionality with asset Seize on increased premiums for high-quality ore emerging in marketplace Pursuing mine life expansion opportunities at APIO
MLP	<i>"Cliffs should consider converting USIO assets into an MLP..."</i>	<ul style="list-style-type: none"> Fails to appreciate complexities including tax implications and commodity volatility 	<ul style="list-style-type: none"> We have been examining MLP structures since July 2013, and continue to evaluate if it can be adapted to USIO's unique characteristics that include partnerships and complex pricing structures
Dividends	<i>"Double Cliffs' dividend..."</i>	<ul style="list-style-type: none"> Dividend may not be sustainable through the cycle High dividend-paying mining stocks do not trade at premium multiples 	<ul style="list-style-type: none"> Our more thoughtful return of capital policy is consistent with prudent debt levels that is durable through all cycles Cliffs' shareholder distribution policy is in line with peers
Infrastructure Assets	<i>"Divest infrastructure / other non-core assets that Cliffs does not need to own..."</i>	<ul style="list-style-type: none"> Selling the rail/port assets raises the cost of the operations through third party lease expenses 	<ul style="list-style-type: none"> Our infrastructure assets give our operations a competitive advantage that we will leverage to drive greater value for investors
SG&A Costs	<i>"Reduce SG&A and exploration costs..."</i>	<ul style="list-style-type: none"> Ignores Cliffs' proactive SG&A reductions, and bases reduction targets on unrealistic assumptions 	<ul style="list-style-type: none"> We have already reduced SG&A significantly by \$134mm (32%) in 2013 and have announced further cuts of \$91mm (31%) in 2014 which we are continuing to focus on

**CASABLANCA'S PROPOSALS HAVE BEEN PREVIOUSLY REVIEWED
BY CLIFFS AND ITS BOARD**

MARKET RESPONSES TO CLIFFS' ANNOUNCEMENTS HAVE BEEN STRONG

Share price performance since January 27, 2014



CLIFFS HAS FIRMLY ESTABLISHED A NEW STRATEGIC DIRECTION

- Cliffs' Board of Directors has been strengthened and is fully-engaged
- Cliffs' Board of Directors installed a new management team to drive action and accountability for results
- New CEO and leadership team have reset strategic course and improved operating and financial discipline
- Efficient and return-driven capital allocation mindset is guiding all strategic decisions
- The focus of Cliffs' Board of Directors and management is to drive long-term shareholder value



Appendix



NON-GAAP RECONCILIATION – EBITDA AND ADJUSTED EBITDA

In addition to the consolidated financial statements presented in accordance with U.S. GAAP, the Company has presented EBITDA and adjusted EBITDA, which are non-GAAP financial measures that management uses in evaluating operating performance. The presentation of these measures is not intended to be considered in isolation from, as a substitute for, or as superior to, the financial information prepared and presented in accordance with U.S. GAAP. The presentation of these measures may be different from non-GAAP financial measures used by other companies. A reconciliation of these measures to its most directly comparable GAAP measure is provided in the table below.

	(In Millions)		(In Millions)	
	Three Months Ended December 31,		Year Ended December 31,	
	2013	2012	2013	2012
Net Income (Loss)	(14.2)	(1,870.6)	361.8	(1,126.6)
Less:				
Interest expense, net	(44.6)	(59.8)	(179.1)	(195.6)
Income tax (expense) benefit	13.9	(491.1)	(55.1)	(255.9)
Depreciation, depletion and amortization	(155.3)	(144.0)	(593.0)	(526.0)
EBITDA	<u>\$ 171.8</u>	<u>\$ (1,175.7)</u>	<u>\$ 1,189.0</u>	<u>\$ (149.1)</u>
Less non-cash items:				
Goodwill impairment charges	(80.9)	(1,000.0)	(80.9)	(1,000.0)
Noncontrolling interest adjustment	45.0	249.0	45.0	249.0
Wabush-related costs*	(182.6)	(49.9)	(184.3)	(49.9)
Other impairment charges	(15.3)	—	(15.3)	—
Amapa impairment charge	—	(365.4)	(67.6)	(365.4)
Adjusted EBITDA	<u>\$ 405.6</u>	<u>\$ (9.4)</u>	<u>\$ 1,492.1</u>	<u>\$ 1,017.2</u>

*Wabush-related costs include write-downs of \$28 million and \$30 million in the fourth-quarter and full-year 2013, respectively. This was attributed to a supplies inventory write down which is reported in Cost of Goods Sold on the Statement of Operations.