SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant [ ]

Filed by a Party other than the Registrant [x]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[ ] Definitive Proxy Statement
[X] Definitive Additional Materials
[ ] Soliciting Material Under Rule 14a-12

Cliffs Natural Resources Inc.

(Name of Registrant as Specified In Its Charter)

Casablanca Capital LP
Donald G. Drapkin
Douglas Taylor
Robert P. Fisher, Jr.
Celso Lourenco Goncalves
Patrice E. Merrin
Joseph Rutkowski
Gabriel Stoliar

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

CASABLANCA CAPITAL

THE CASE FOR CHANGE AT CLIFFS

June 2014

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CASABLANCA CAPITAL LP, DONALD G. DRAPKIN AND DOUGLAS TAYLOR (COLLECTIVELY, "CASABLANCA") HAVE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") A DEFINITIVE PROXY STATEMENT AND ACCOMPANYING FORM OF PROXY CARD TO BE USED IN CONNECTION WITH THE SOLICITATION OF PROXIES FROM STOCKHOLDERS OF CLIFFS NATURAL RESOURCES INC. (THE "COMPANY") IN CONNECTION WITH THE COMPANY'S 2014 ANNUAL MEETING OF STOCKHOLDERS. ALL STOCKHOLDERS OF THE COMPANY ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY CASABLANCA, ROBERT P. FISHER, JR., CELSO LOURENCO GONCALVES, PATRICE E. MERRIN, JOSEPH RUTKOWSKI AND GABRIEL STOLIAR (COLLECTIVELY, THE "PARTICIPANTS") BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS. THE DEFINITIVE PROXY STATEMENT AND AN ACCOMPANYING PROXY CARD HAVE BEEN FURNISHED TO SOME OR ALL OF THE COMPANY'S STOCKHOLDERS AND ARE, ALONG WITH OTHER RELEVANT DOCUMENTS, AVAILABLE AT NO CHARGE ON THE SEC'S WEB SITE AT HTTP://WWW.SEC.GOV. IN ADDITION, OKAPI PARTNERS LLC, CASABLANCA'S PROXY SOLICITOR, WILL PROVIDE COPIES OF THE DEFINITIVE PROXY STATEMENT AND ACCOMPANYING PROXY CARD WITHOUT CHARGE UPON REQUEST BY CALLING (212) 297-0720 OR TOLL-FREE AT (877) 274-8654.

INFORMATION ABOUT THE PARTICIPANTS AND A DESCRIPTION OF THEIR DIRECT OR INDIRECT INTERESTS BY SECURITY HOLDINGS IS CONTAINED IN THE DEFINITIVE PROXY STATEMENT ON SCHEDULE 14A FILED BY CASABLANCA WITH THE SEC ON JUNE 12, 2014. THIS DOCUMENT CAN BE OBTAINED FREE OF CHARGE FROM THE SOURCES INDICATED ABOVE.

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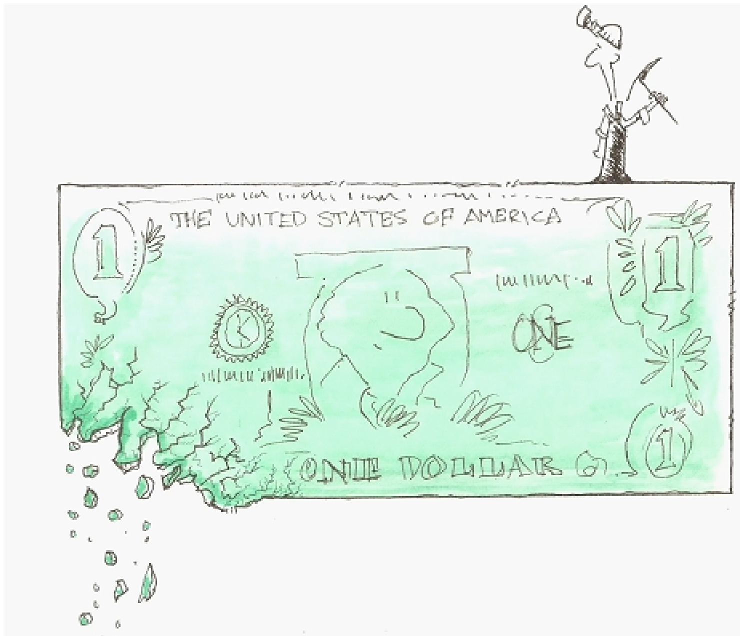
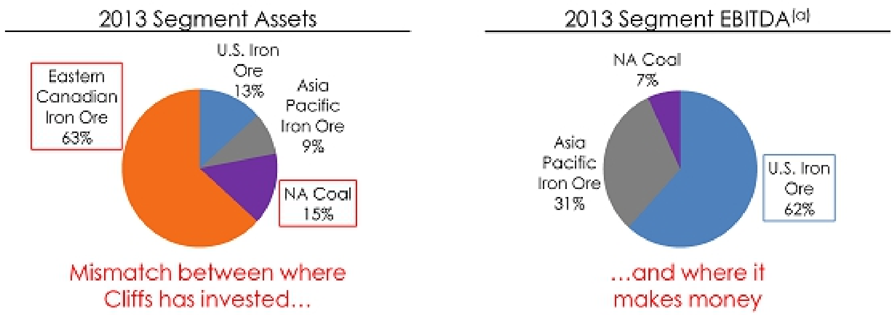
I Executive Summary

How did Cliffs' Board waste $9 billion?...

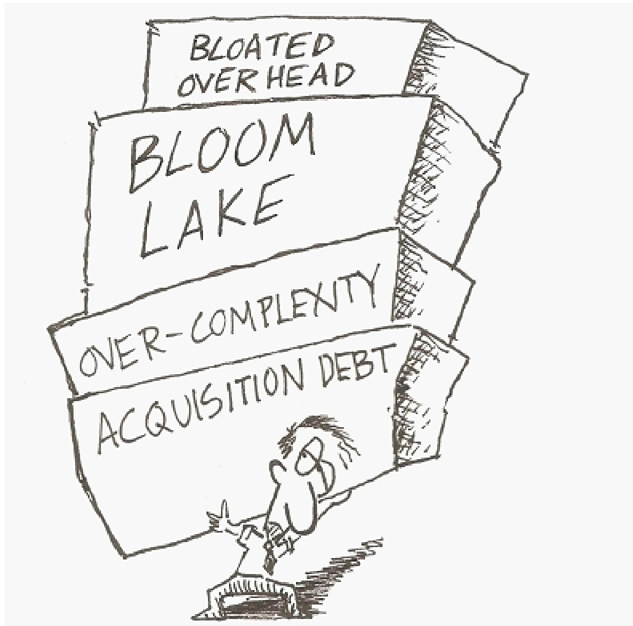


Cliffs has lost its focus…

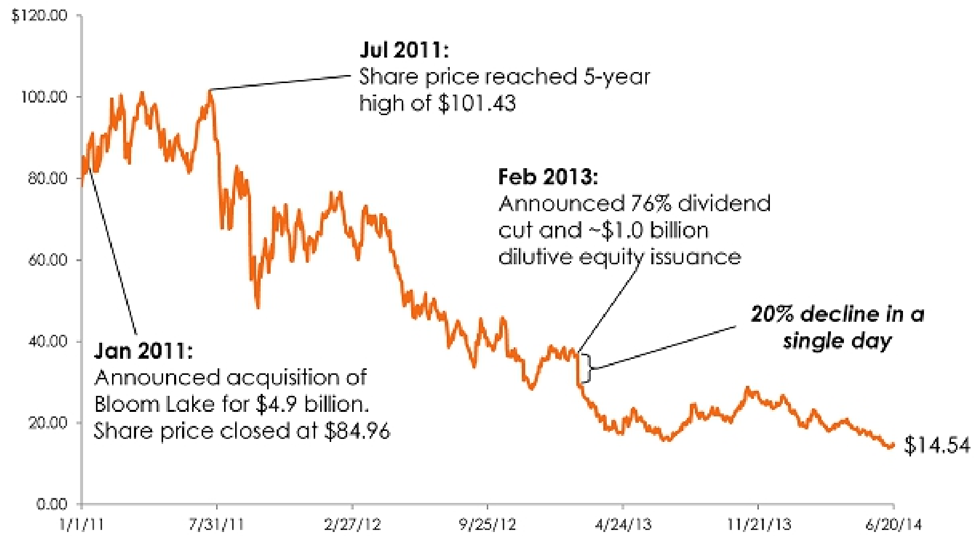


(a) Excludes ECIO, which contributed ($14mm) EBITDA in 2013. Segment EBITDA calculated as revenue less cash costs (including railroad obligations and volume penalties for ECIO) plus depreciation and amortization.

…and remains burdened by legacy problems

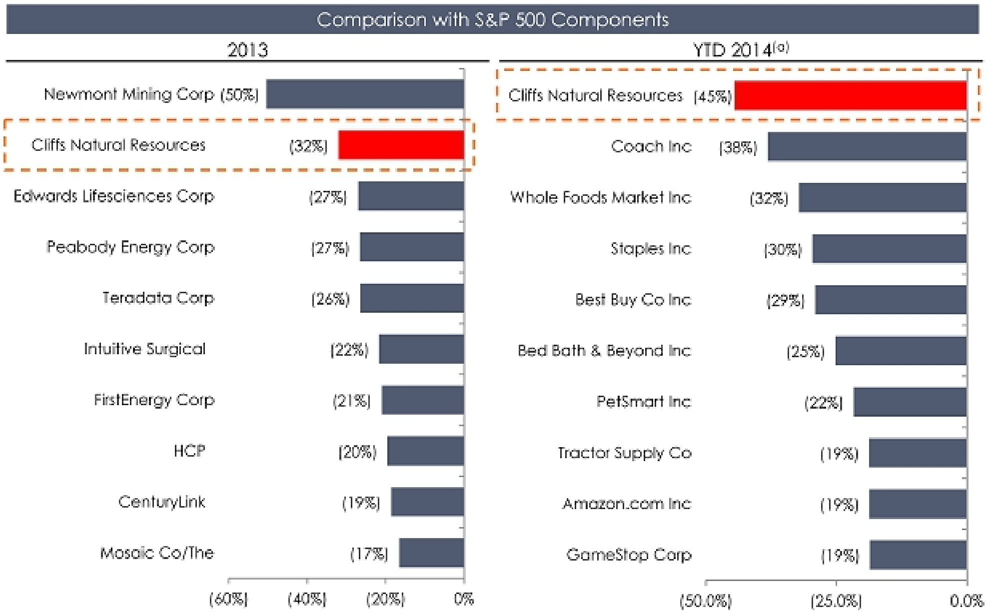


Shareholder value has plummeted by 85%…



Note: Reflects closing price on June 20, 2014.

…making Cliffs one of the worst-performing stocks[a]…

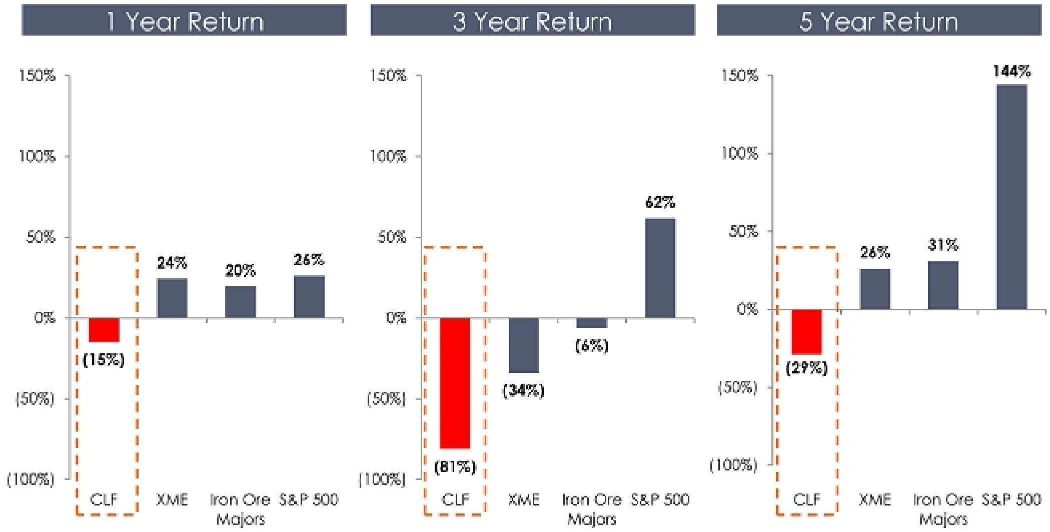


(a) Cliffs was dropped from the S&P 500 Index on March 26, 2014. Reflects pricing through June 20, 2014.

…with bets against Cliffs at record highs…

Cliffs Short Interest Since January 2011

…as total returns have consistently underperformed…



Note: Reflects closing price on June 20, 2014. XME reflects peer group utilized by Company in its proxy materials. Iron ore majors comprised of BHP, RIO, FMG and VALE.

…yet the Board continued to reward Management

Source: Cliffs proxies dated June 10, 2014; April 1, 2013; March 23, 2012; April 4, 2011 and March 26, 2010.

A The Casablanca Solution

We believe fundamental change is needed

Missteps during commodity supercycle 2001 – 2011	What must be done today
• Race to scale	• Focus on core expertise
• Growth at any price	• Leverage strategic position
• De-emphasis of U.S. Iron Ore	• Manage through oversupply
• Shift from operator to developer	• Improve costs and capital allocation
• Bloated overhead	• Emphasize sustainability over growth
• Expansion beyond core iron ore	• Return capital
• Increased exposure to seaborne commodity market	

Cliffs must be repositioned

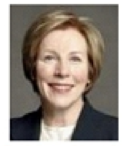
The Casablanca plan

☑ Install new leadership	☑ Stop the bleeding at Bloom Lake	☑ Exit international	☑ Divest non-core assets
☑ Address cost structure	☑ Refocus on core U.S. business	☑ Return capital to shareholders	☑ Explore second-stage value-creation opportunities

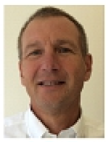
Casablanca's Board nominees are highly qualified…

Lourenco Goncalves
Former Metals USA CEO

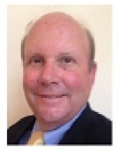
Gabriel Stoliar
Former Vale CFO
and EVP



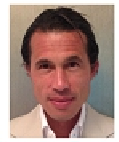
Patrice Merrin
Former Luscar CEO



Joseph Rutkowski
Former Nucor EVP



Rip Fisher
Former Goldman Sachs
Head of Mining



Douglas Taylor
Managing Partner
and CIO,
Casablanca

…with deep experience across multiple disciplines

Name	Metals & Mining Experience	Public Company Experience			Financial/Transactional Experience	
		CEO	Other Executive	Board	Investment Banking	Principal Investing
Lourenco Goncalves	✓	✓	✓	✓		
Rip Fisher	✓			✓	✓	✓
Patrice Merrin	✓	✓	✓	✓		
Joseph Rutkowski	✓		✓			
Gabriel Stoliar	✓		✓	✓		✓
Douglas Taylor				✓	✓	✓

Our Board nominee qualifications

Nominees	Key Qualifications
Lourenco Goncalves CEO Candidate	• Hired as CEO of Metals USA in February 2003; took the company private in November 2005; IPO'd the company in April 2010 and sold the company to Reliance Steel & Aluminum in April 2013 • CEO of California Steel Industries from March 1998 to February 2003
Rip Fisher	• Former Goldman Sachs Managing Director, Head of Mining and Head of Canadian Corporate Finance and Investment Banking • Former Director of CML HealthCare Inc., Chairman of Compensation Committee and Independent Committee to study Strategic Alternatives (company sold for 49% premium)
Patrice Merrin	• Director of Stillwater Mining • Former Chairman of CML HealthCare Inc. • Director of Climate Change and Emissions Management Corp. • Former CEO of Luscar and Executive Vice President of Sherritt International
Joseph Rutkowski	• Former Nucor Corporation Executive Vice President of Business Development
Gabriel Stoliar	• Managing Partner of Studio Investimentos, an asset management firm • Former Vale S.A. CFO and Executive Director of Planning & Business Development • Former BNDES Executive Director • Current Chairman of Tupy (publicly traded)
Douglas Taylor	• Managing Partner and Co-CIO of Casablanca Capital LP • Former Lazard Frères & Co and Wasserstein Perella Managing Director • Former Director and CFO of Sapphire Industrials

Casablanca is not seeking to "take control" of Cliffs

- Wrong to assert Casablanca seeks "full control of Cliffs' Board… without paying a control premium"
  - All of our nominees would be independent directors at Cliffs and owe fiduciary duties equally to *all* shareholders
- Five of our director nominees are independent of Casablanca
  - Have no prior relationship with Casablanca
  - Do not (and will not) receive any compensation from Casablanca
- Casablanca is only seeking a majority to ensure new executive leadership is installed at this critical juncture
  - Our proposed settlement agreement provided for three out of nine directors with Mr. Goncalves as Executive Chairman and Gary Halverson remaining as CEO

Meaningful change would benefit all shareholders

Key terms of the settlement that Cliffs rejected:

Casablanca and Cliffs shook hands on a settlement agreement during an in-person meeting in New York on March 14, 2014

- Casablanca appoints three directors to a nine-member Board
  - Board size reduced from eleven to nine
- Mr. Goncalves is installed as Executive Chairman
  - Mr. Halverson remains CEO and reports to Mr. Goncalves
- Casablanca nominees take meaningful but not controlling roles on Board committees
  - Two nominees on four-member Strategy Committee, with Mr. Goncalves as Chairman
  - One nominee on each other Board committee

Proposal rejected by Cliffs' Board after five weeks of stall tactics

Entrenchment tactics employed by the Board

Indefinitely delayed Annual Meeting	• Falsely asserted Casablanca requested delay[a] • Waited until Casablanca threatened consent solicitation to schedule meeting • Scheduled meeting ~3 months late
Misleading statements regarding settlement objectives	• No contact, or counteroffer, since reversing course and rejecting agreed-upon settlement on April 20, 2014 • Ongoing public statements regarding openness to settlement discussions without even engaging
Rushed CEO appointment	• Mr. Halverson appointed CEO one day after Casablanca announced Mr. Goncalves as CEO candidate
Threatened proxy put	• Threatened shareholders with liquidity crisis to stay in office • Stalled for a month and fought shareholder litigation before finally approving Casablanca's nominees
Nominated only 9 of 11 candidates	• Cosmetic attempt to appear inclusive of Casablanca • Avoids real change by limiting Casablanca representation

Notes appear at the end of the section.

Entrenchment tactics employed by the Board (cont'd)

"Dead hand" change of control provisions in employee severance agreements	• New provision in employee severance agreements • Vests severance in successful proxy contests—even if dissident's nominees are approved by incumbents
Attempted to revoke shareholder-friendly provisions in charter	• Attempted repeal of cumulative voting • Attempted repeal of shareholder right to approve bylaw amendments
CEO lobbying for Board members	• Not focused on running Cliffs at this critical juncture • Out of office on whistle-stop tour to save incumbent Board
Hired an arsenal of high-priced advisors	• Law firm #1: Wachtell, Lipton, Rosen & Katz • Law firm #2: Jones Day • Investment banker #1: JPMorgan • Investment banker #2: Bank of America Merrill Lynch • Public Relations: Joele Frank, Wilkinson Brimmer Katcher • Proxy solicitor: D.F. King & Co.

Continuing a pattern of historical behavior

Annual Meeting	Company-Sponsored Proposals to Strip Shareholders of Important Rights	Result
2012	Remove shareholder right to approve bylaw amendments	Failed
2013	Remove shareholder right to approve bylaw amendments	Failed
	Eliminate cumulative voting	Failed

Notes

(a) Cliffs' record date was originally set for March 7, 2014—a deadline that was only four days away when the Company contacted Casablanca on March 3, 2014, and indicated its desire to discuss a settlement. In this highly-preliminary discussion, Casablanca suggested that delaying the impending record date might be a productive way to lay the groundwork for meaningful settlement discussions. Cliffs responded by indefinitely suspending its annual meeting date—stating it was doing so "in order to accommodate this request." Casablanca only suggested that the record date be pushed back, but did not at any time request that the annual meeting itself be delayed.

II Cliffs' History of Failed Empire-Building

Cliffs' Board has pursued a failed strategy of empire-building…

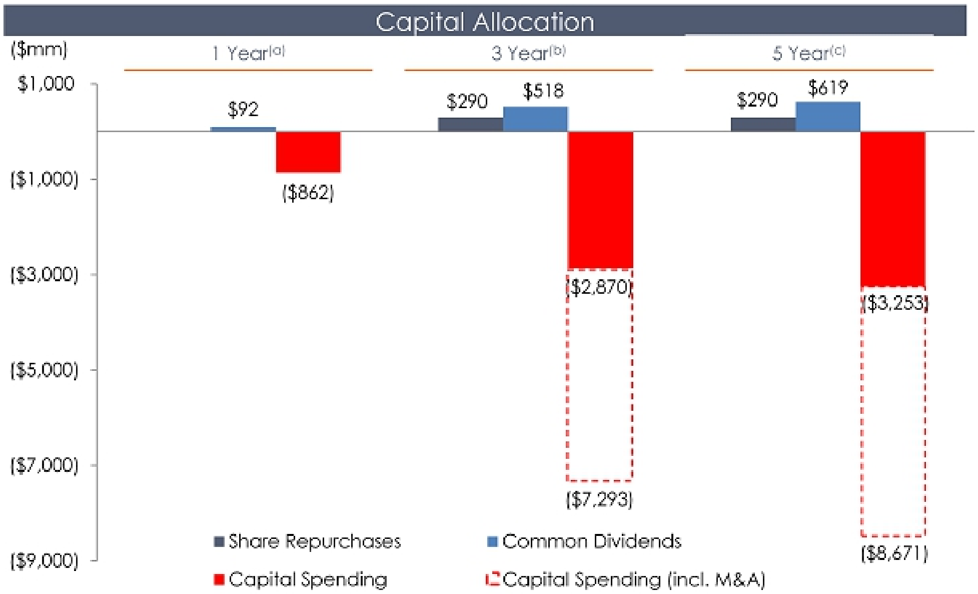
- Cliffs has operated as a viable, U.S.-based iron ore miner for over 165 years
- In the past decade, Management—with Board support—chose to expand beyond its core Great Lakes iron ore franchise, in what we believe was a pursuit of higher commodity prices at shareholders' expense
- We believe this stemmed from:
  - "Build it big" mentality that fed rampant spending and indiscriminate capex (including Cliffs' attempts to become a developer)
  - "Scale at any cost" mindset
    - Led Management to over expand beyond core competencies, entering non-core businesses and geographies and taking on excessive debt

…creating a poster child for "deworsification"…

	Selected Expansion Attempts:					
Strategy	Bloom Lake	Coal[a]	Chromite[b]	Amapá[c]	Wabush[d]	Total
Diversify into New Commodity		✓	✓			
Diversify Geographically	✓		✓	✓	✓	
New Project Development	✓		✓	✓		
Cost *($ in millions)*	$6,400	$1,350	$500	$500	$285	$9,035
Result	**Loss making**	**Loss making**	**Halted**	**Sold for de minimis value**	**Idled for $100 million**	**$9 billion wasted with $0 contributed to earnings**

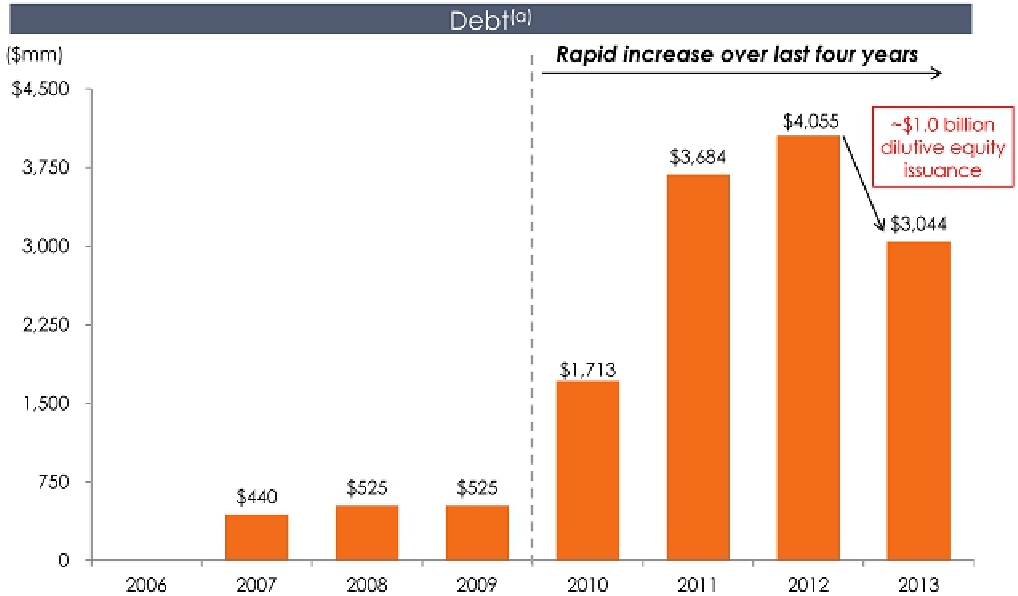
Notes appear at the end of the section.

…starving shareholders…



(a) From Q1 2013 to Q4 2013.
(b) From Q1 2011 to Q4 2013.
(c) From Q1 2009 to Q4 2013.

…unnecessarily running up debt…

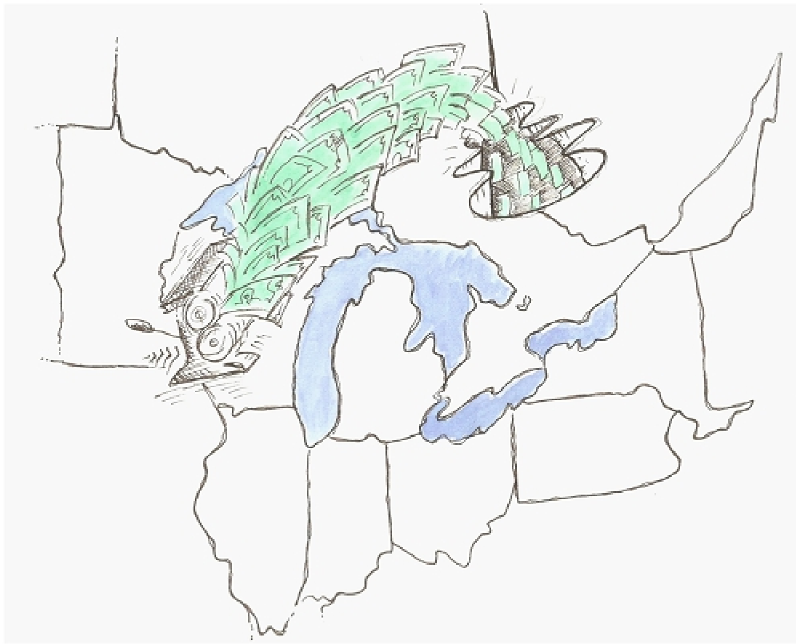


(a) Each of the years ended 12/31.

…but continuing to reward Management

Source: Cliffs proxies dated June 10, 2014; April 1, 2013; March 23, 2012; April 4, 2011 and March 26, 2010.

The Bloom Lake money pit



Bloom Lake: a $6.4 billion misadventure

Description

- Produces premium 66% iron ore concentrate
  - Transported by rail to port of Pointe Noire, Québec for shipping
- JV partnership with Wuhan Iron and Steel Corp
  - In Nov. 2013, Wuhan reduced its 25% interest in Bloom Lake to 17%

Cost: $6.4 billion

- $4.9 billion to acquire asset (Jan. 2011)
- $1.5 billion capex spent since acquisition

Results:

- Phase II expansion on hold
- Phase I remains loss making
- Up to $800 million ongoing capex needs[a]
- Ongoing liabilities
  - Take-or-pay railroad penalties ($60+ million/yr)[b]
  - Volume commitments to JV partner
- Regularly revised operating projections, budget and timeline

$6.4 billion bet on forever-high commodity prices

(a) Per Management guidance on Q3 2013 earnings call.
(b) Management estimated ~$14 – 16 million/quarter for take-or-pay railroad contracts per 2013 10-K.

A $1.4 billion lump of coal

Description

- Coal assets located in West Virginia and Mississippi
  - Pinnacle Complex
  - Oak Grove
  - Cliffs Logan County Coal
- Primarily produce metallurgical coal

Cost: $1.4 billion

- $750 million to acquire asset (July 2010)
- $600 million capex spent since acquisition

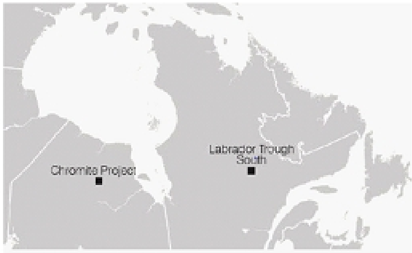
Results:

- Expected to be loss-making in 2014[a]
  - Revenue ($/t): $80 – $85
  - Cash cost ($/t): $85 – $90
  - Management synergy expectations never realized
  - Achieved breakeven profitability at best

$1.4 billion misconceived, non-core, volatile and loss-making expansion

(a) Revenue and cash costs reflect latest management guidance.

Ring of Fire consumes $500 million



Description

- Ring of Fire chromite assets located in the James Bay lowlands of Northern Ontario (Ring of Fire)
  - Black Label (100% interest)
  - Black Thor (100% interest)
  - Big Daddy (70% interest)

Cost: $500 million

- $230 million to acquire asset (Nov 2009 / May 2010)
- $270 million capex spent since acquisition

Results:

- Presumed a $2 billion road would appear
  - Ontario regulators rejected Cliffs' request for land rights to build a road—without road, there appears no current means of moving ore out of the site
- Announced plan to indefinitely suspend project (Nov 2013)
- Announced plan to sell exploration camp to Noront Resources (May 2014)

$500 million bet without necessary infrastructure on an over-supplied commodity

Notes

(a) Based on $757 million acquisition of West Virginia Coal (7/6/10) plus ~$470 million cumulative capex between 2010 and 2013. Excludes impact of Sonoma Coal (acquired for $140 million (1/9/07), divested for $141 million (7/10/12)). 2014 breakeven assumption based on midpoint of Company guidance of $85 – $90 expected revenues/ton and $85 – $90 expected cash costs/ton.

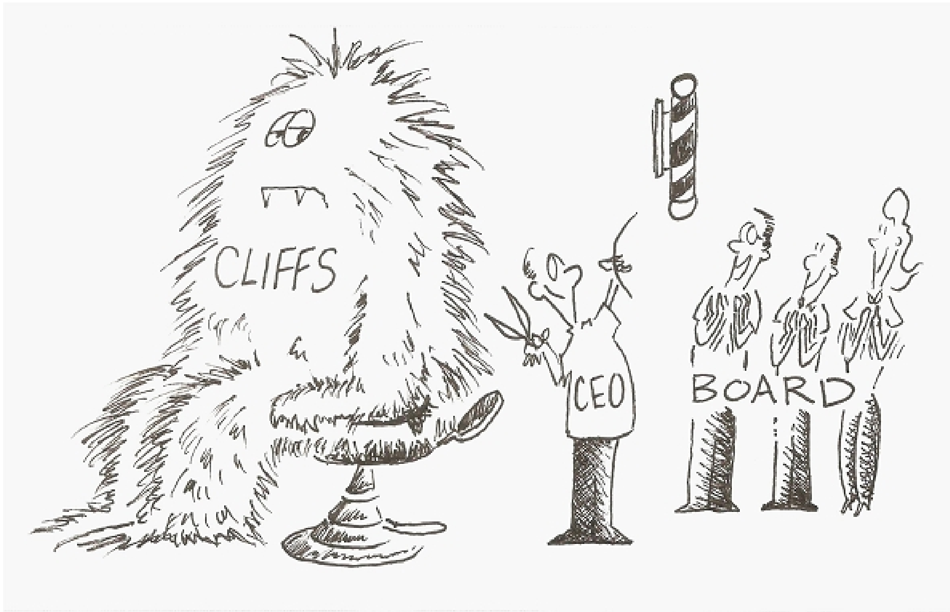
(b) $500 million estimated total investment includes ~$70 million per year for feasibility and assessment studies, over 3 years.

(c) Based on $498.6 million book value and accounted for under the equity method as of 12/31/11.

(d) Based on $103 million purchase price (initial stake acquired (1/1/97) for $15 million and remaining interest acquired (10/9/09) for $88 million), plus Casablanca- estimated $80 million cumulative capex, plus Company-announced $100 million idling costs. Cumulative capex estimated based on difference between $183 million asset impairment charge incurred in Q4 2013 and $103 million cumulative purchase price.

III Deceptive Communications Mask Ongoing Problems

Cliffs Management asserts it is addressing its problems



Capex "cuts" mask current future spending obligations…

Cliffs Claim:

"FY 2014 capital spending budget decreased 65%"

Initial Budget
$835 – 885 million

First Revision

$375 – 425 million

Second Revision

$275 – 325 million

Casablanca Observations

- Add Back:
  - ~$800 million sustaining capex forecast on Bloom Lake over next four years[(a)]
- No disclosure on status of remaining capex requirements

Deferring capex is not the same as cutting it

Source: Cliffs investor presentation on June 18, 2014. Cliffs announced first revision to capital spending on February 11, 2014 and second revision on May 27, 2014.
(a) Per Management guidance on Q3 2013 earnings call.

…and don't address money-losing Bloom Lake operations

Bloom Lake Phase I

($ in millions, except iron ore price and volume)	Casablanca Estimates				
	2014	**2015**	**2016**	**2017**	**2018**
Iron Ore Price	$114.0	$100.0	$100.0	$100.0	$100.0
Freight Differential	(25.0)	(22.5)	(22.5)	(22.5)	(22.5)
Product Premium	7.5	8.0	8.0	8.0	8.0
Net Realized Price	$96.5	$85.5	$85.5	$85.5	$85.5
Volumes	6.5	6.5	6.5	6.5	6.5
Revenues	$627.3	$555.8	$555.8	$555.8	$555.8
COGS	568.8	552.5	536.3	536.3	536.3
Cash Costs	$87.5	$85.0	$82.5	$82.5	$82.5
Gross Margin	$58.5	$3.3	$19.5	$19.5	$19.5
Take-or-Pay	(60.0)	(60.0)	(60.0)	(60.0)	(60.0)
Operating Loss @ $100/t	($1.5)	($56.8)	($40.5)	($40.5)	($40.5)
Memo:					
Operating Loss @ $90/t	($40.5)	($121.8)	($105.5)	($105.5)	($105.5)

$175 – $475 million potential operating losses over next five years at Bloom Lake

Similarly, claims of SG&A strike us as misleading…

Q1 2014 Results Cliffs Claim[a]:

"SG&A and Exploration expenses decreased 30%[a]"

Casablanca Observations

($ in millions)

	Cliffs Adjusted Q1 2014	Q1 2013	Decrease ($ mm)	Decrease %
SG&A	(46.1)[a]	(48.4)	(2.3)	(5%)
Exploration	(4.2)	(22.7)	(18.5)	(81%)
Total	(50.3)	(71.1)	(20.8)	(29%)

Only $2.3 million cut from SG&A

Exploration failures at Ring of Fire repackaged as budget cuts

LTM 2014 Results Cliffs Claim:

"LTM SG&A and Exploration expenses decreased 34%"

LTM SG&A

SG&A is down only ~15%

Decrease occurred before Halverson hired

Source: Cliffs Q1 2014 earnings investor presentation on April 25, 2015 and investor presentation on June 18, 2014.
(a) Excludes $5 million severance-related expenses.

…as are claims on headcount reduction…

Cliffs Claim:	Casablanca Observations
"39% decrease in Officer-level executives over the last 12 months"	• 5 people cut • Total Corporate headcount remains at 442[a]

Executives 2013	Executives 2014
Joseph Carrabba, CEO	Gary Halverson, CEO
Laurie Brlas	William Boor
William Boor	Terry Fedor
Donald Gallagher	Terrance Paradie
Terrance Paradie	Clifford Smith
Clifford Smith	Kelly Tompkins
Kelly Tompkins	David Webb
David Webb	Timothy Flanagan
Timothy Flanagan	
Duke Vetor	
David Blake	
Steven Raguz	
Terrence Mee	

Only 5 people cut
(5 ÷ 13 = 39%)

(a) Cliffs Natural Resources 2013 10-K.

…with over 440 people still at Corporate…

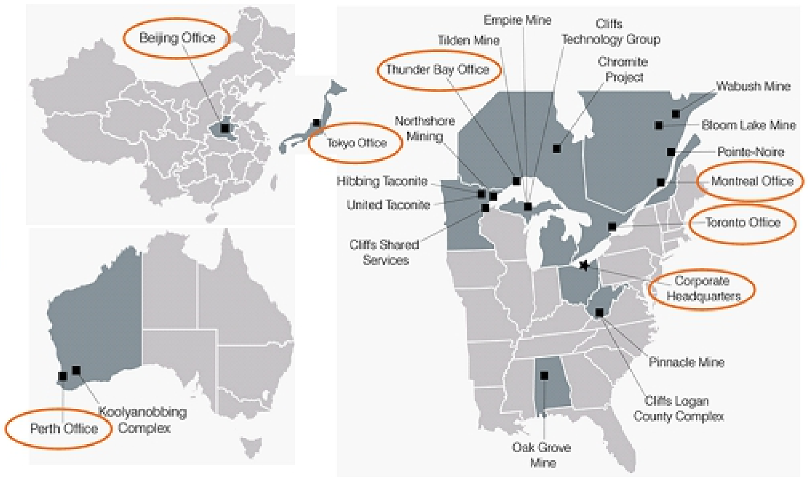
	U.S. Iron Ore	Eastern Canadian Iron Ore	North American Coal	Asia Pacific Iron Ore	Corporate & Support Services	Other	Total
Salaried	700	407	379	177	442	28	2,133
Hourly	2,825	973	1,207	-	-	-	5,005
Total	3,525	1,380	1,586	177	442	28	7,138

(a) Cliffs Natural Resources 2013 10-K; information as of December 31, 2013.

…and a sprawling global footprint

Corporate Offices[a]:

Cliffs has seven Corporate offices



(a) Cliffs Natural Resources 2013 10-K.

IV Governance Concerns: Entrenchment and Disorganization

Casablanca's governance concerns:

- Poor Board oversight and decision-making
- Entrenchment tactics
- Poor alignment with shareholders
- Poor director and executive qualifications

ISS Quickscore: 8

ISS Governance QuickScore Profile

ISS An MSCI Brand

Cliffs Natural Resources Inc.

ISS GOVERNANCE QUICKSCORE PILLARS

Board Structure	10
Subcategory & Impact:	
Board Composition	
Composition of the committees	
Board Practices	
Board Policies	
Related Party Transactions	

Compensation	6
Subcategory & Impact:	
Pay For Performance	
Non-Performance Based Pay	
Use Of Equity	
Equity Risk Mitigation	
Communications And Disclosure	
Termination	
Controversies	

Shareholder Rights	7
Subcategory & Impact:	
One Share One Vote	
Takeover Defences	
Voting Issues	
Voting Formalities	

Audit	1
Subcategory & Impact:	
External Auditor	
Audit and Accounting Controversies	
Other Issues	

GOVERNANCE QuickScore
8

Scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

Source: ISS Governance QuickScore Profile.

A A History of Poor Board Oversight and Decision-making

Poor Board oversight and decision-making

Board Responsibility	Decision	Consequences
Setting Strategy	Diversify into international seaborne iron ore market	• Increased risk by moving Cliffs into highly-volatile international commodity markets • Put Company in direct competition with large-cap miners • Added corporate overhead required to administer far-flung operations and market product abroad
	Diversify away from Iron Ore	• Moved Cliffs into over-supplied markets (coal, ferrochrome) where it lacked any competitive advantages
	Become a developer	• Entered business without any expertise • Increased risk profile by adding development risk to commodity risk • Created valuation uncertainty as development projects ran over budget, forecasts were reduced and completion schedules were delayed

Poor Board oversight and decision-making (cont'd)

Board Responsibility	Decision	Consequences
Approving Acquisitions	Acquire Consolidated Thompson / Bloom Lake	• $4.9 billion, plus additional $1.5 billion capex spent on further development • Remains unprofitable and became a significant valuation overhang for entire Company
	Acquire coal assets	• Over $1.5 billion spent on three transactions • Coal assets remain unprofitable
	Acquire Chromite Ring of Fire	• $500 million spent between acquisition and subsequent capex on project that is now on hold
	Acquire remainder of Wabush	• Project shut down at over $100 million cost • Total cost approximately $285 million
	Approve purchase price of acquisitions	• Substantial acquisitions executed at top of the market for high valuations in industry known for its cyclicality • Substantial write-downs of over $1.5 billion in last two years

Poor Board oversight and decision-making (cont'd)

Board Responsibility	Decision	Consequences
Approving Capex Budget	Continue spending money to develop Bloom Lake	• Company became one of the most shorted stocks on the S&P 500 as outcome of development became increasingly cloudy
	Continue investing in Ring of Fire	• $500 million invested before Company learned it had no road access to mine site
	Continue to fund exploration budget	• No new viable projects developed
Approving Corporate Finance Transactions	Issue debt to acquire Consolidated Thompson	• $2.25 billion increase in debt
	Issue preferred equity and cut dividend	• Stock price dropped 20% in single day when issuance announced • Project for which proceeds were earmarked (Bloom Lake) not built • No apparent penalties in Management compensation

Poor Board oversight and decision-making (cont'd)

Board Responsibility	Decision	Consequences
Setting Compensation	Secret & subjective benchmarking	• Opaque "fudge factor" in determining bonuses • Bonuses paid at or over target in most years, regardless of results
	No capex / ROE weighting for cash bonuses	• Did not hold Management responsible for profligate capital spending with poor results
	Constantly-shifting earnings metrics used to determine bonuses	• Earnings targets magically met new targets and bonuses were paid
Leadership Succession Planning	Granted Kirsch rotating titles	• Held five positions—Director, Lead Director, Chairman, Executive Chairman and Non-executive Chairman—within 12 months
	Hired CEO-in-training	• Reviewed 90 candidates • Unable to identify a CEO and settled on a COO • Rushed COO into CEO spot in response to Casablanca

Majority of existing Board approved Bloom Lake

Directors	Cliffs Director Since
Richard K. Riederer	2002
Susan M. Cunningham[a]	2005
Barry J. Eldridge	2005
Susan M. Green	2007
Janice K. Henry	2009
James Kirsch	2010
Andrés R. Gluski[a]	2011
Timothy W. Sullivan	2013
Mark E. Gaumond	2013
Gary B. Halverson	2013
Stephen Johnson	2013

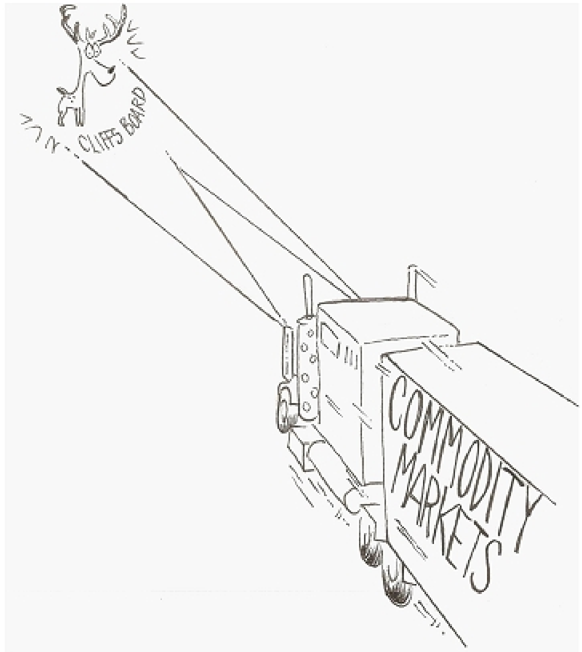
6 of 11 current directors approved the Consolidated Thompson/ Bloom Lake transaction ($4.9 billion)

9 of 11 approved subsequent investment in Bloom Lake (additional ~$1.5 billion)

(a) Not standing for reelection.

a Strategic Planning Paralysis

Strategic planning paralysis

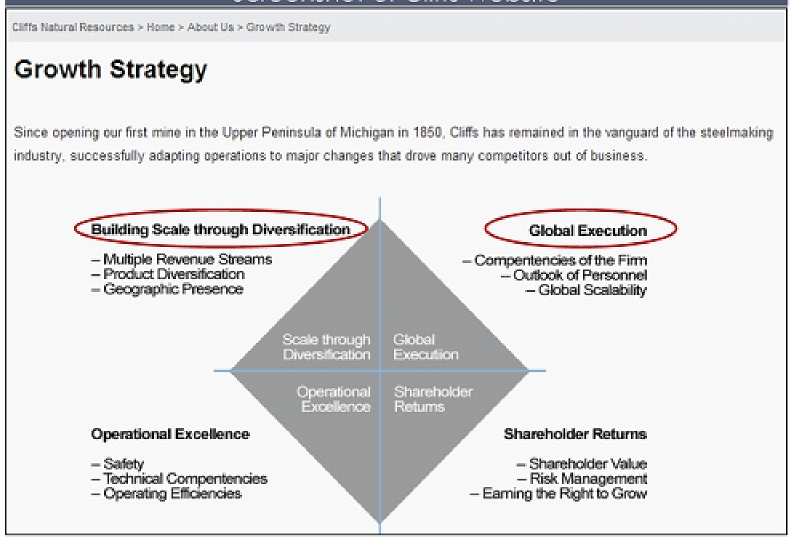


The old strategy: growth at any cost

Cliffs' website as of March 5, 2014

(Removed after Casablanca criticized it)

Screenshot of Cliffs Website



Source: http://www.cliffsnaturalresources.com/EN/aboutus/GrowthStrategy/Pages/default.aspx as of March 5, 2014.

The new non-strategy: a wheel of platitudes

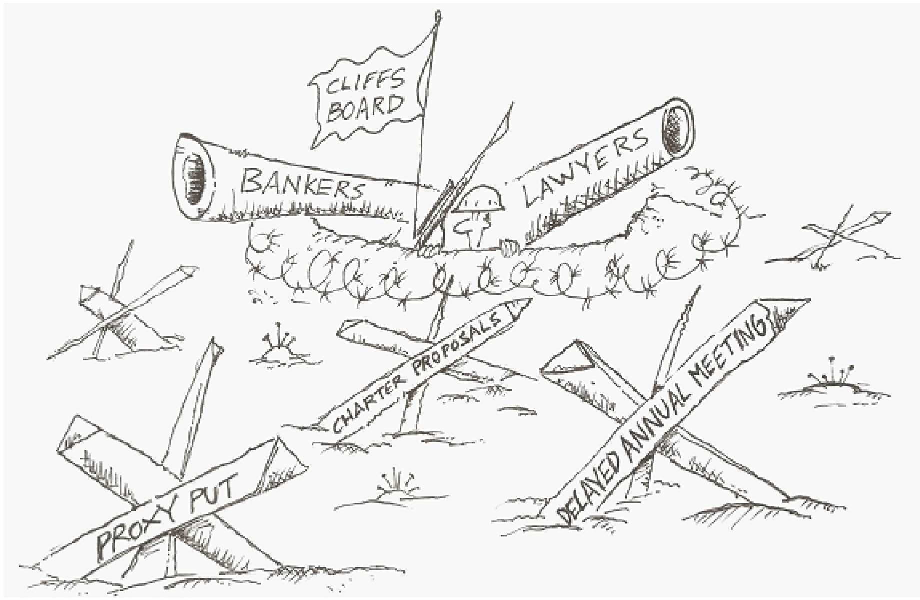
Cliffs' website as of June 20, 2014

Pretty, but no substance, in our view

Source: http://www.cliffsnaturalresources.com/EN/aboutus/VisionMission/Pages/default.aspx as of June 20, 2014.

B Entrenchment Tactics

The Board has gone to great lengths to entrench itself



Entrenchment tactics employed by the Board

Indefinitely delayed Annual Meeting	• Falsely asserted Casablanca requested delay[a] • Waited until Casablanca threatened consent solicitation to schedule meeting • Scheduled meeting ~3 months late
Misleading statements regarding settlement objectives	• No contact, or counteroffer, since reversing course and rejecting agreed-upon settlement on April 20, 2014 • Ongoing public statements regarding openness to settlement discussions without even engaging
Rushed CEO appointment	• Mr. Halverson appointed CEO one day after Casablanca announced Mr. Goncalves as CEO candidate
Threatened proxy put	• Threatened shareholders with liquidity crisis to stay in office • Stalled for a month and fought shareholder litigation before finally approving Casablanca's nominees
Nominated only 9 of 11 candidates	• Cosmetic attempt to appear inclusive of Casablanca • Avoids real change by limiting Casablanca representation

Notes appear at the end of the section.

Entrenchment tactics employed by the Board (cont'd)

"Dead hand" change of control provisions in employee severance agreements	• New provision in employee severance agreements • Vests severance in successful proxy contests—even if dissident's nominees are approved by incumbents
Attempted to revoke shareholder-friendly provisions in charter	• Attempted repeal of cumulative voting • Attempted repeal of shareholder right to approve bylaw amendments
CEO lobbying for Board members	• Not focused on running Cliffs at this critical juncture • Out of office on whistle-stop tour to save incumbent Board
Hired an arsenal of high-priced advisors	• Law firm #1: Wachtell, Lipton, Rosen & Katz • Law firm #2: Jones Day • Investment banker #1: JPMorgan • Investment banker #2: Bank of America Merrill Lynch • Public Relations: Joele Frank, Wilkinson Brimmer Katcher • Proxy solicitor: D.F. King & Co.

Some details on the Board's proxy put brinksmanship:

- Board implicitly threatened to use "Proxy Put" to preserve power
  - Cliffs Preliminary Proxy: Election of majority Casablanca slate could trigger a change of control under the senior notes, potentially compelling Company to repurchase notes
  - **Failed to disclose:** Board could have immediately defused Proxy Put by approving Casablanca nominees (not as an endorsement, but for the narrow purpose of not triggering the Proxy Put)
    - Common corporate practice, in our view
- Entrenchment tactic constitutes a breach of the Board's fiduciary duties, in our view
  - Delaware Court of Chancery, in Kallick v. SandRidge Energy (2013):

    …there is immediate, irreparable harm when the directors of a corporation leverage a proxy put to enhance the incumbent Board's chances of procuring stockholder votes…
- Ultimate approval came only after pressure from Casablanca and other shareholders
  - One month of delays for Board to "consider" nominees that were originally announced on March 6, 2013
  - Fought shareholder litigation (three separate actions brought)

The Board's new "dead-hand" employment agreements...

Key Provisions of Change in Control Severance Agreements[(a)]

Summary	Actual Language
"Change in Control" triggered if Incumbent Board is replaced…	"'Change in Control' means: … (ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board;…
…unless the Incumbent Board approves incoming Board members…	"…provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board,…
...but activists' nominees don't count, ***even if the Board approves them***	"…but **excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest** with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board"

Unusual, in Casablanca's view, and just added this year

(a) Filed as exhibit 10.1 to Cliffs 2013 10-K.

…continue a pattern of historical behavior

Annual Meeting	Company-Sponsored Proposals to Strip Shareholders of Important Rights	Result
2012	Remove shareholder right to approve bylaw amendments	Failed
2013	Remove shareholder right to approve bylaw amendments	Failed
	Eliminate cumulative voting	Failed

Notes

(a) Cliffs' record date was originally set for March 7, 2014—a deadline that was only four days away when the Company contacted Casablanca on March 3, 2014, and indicated its desire to discuss a settlement. In this highly-preliminary discussion, Casablanca suggested that delaying the impending record date might be a productive way to lay the groundwork for meaningful settlement discussions. Cliffs responded by indefinitely suspending its annual meeting date—stating it was doing so "in order to accommodate this request." Casablanca only suggested that the record date be pushed back, but did not at any time request that the annual meeting itself be delayed.

C Poor Alignment with Shareholders

The Board's approach to executive compensation…

…rewarding Management for failed strategies…

- Short-term executive bonus review process lacks transparency
  - *Undisclosed and discretionary* "corporate strategic objectives" factor given significant weight and was funded over target in most years (see following slide for details)
  - Earnings factors frequently "adjusted" and different in each of the last four years
  - No weightings for Return on Invested Capital, or other factors impacted by capital deployed
- CEO paid $34+ million over last five years
- Executive Chairman paid $1.2 million in 2013 and has $4.5 million pay opportunity in 2014
- New COO Halverson paid $2.6 million in 2013 for 43 days of work
  - Roughly $60,000 per day
- All other directors in aggregate own below 0.3% of shares outstanding
  - Less than $5.0 million at current prices

…using a "fudge factor" to calculate bonuses…

- Undisclosed "Corporate Strategic Objectives" factor is key executive bonus component
- Factor is *subjective* and determined by Compensation Committee
  - The Company maintains that the criteria for determining this factor is confidential for competitive reasons

"Corporate Strategic Objectives" Factor Weighting in Executive Short-Term Incentive Plan[a]

	2009	2010	2011	2012	2013
Target Weighting	25.0%	25.0%	25.0%	25.0%	25.0%
Funding	42.0%	45.0%	50.0%	20.0%	30.0%
Compensation Committee Membership	Eldridge	Eldridge	Eldridge	Eldridge	Eldridge
	McAllister	McAllister	McAllister	McAllister	Gaumond
	Phillips	Phillips	Kirsch	Kirsch	Kirsch
	Cambre	Henry	Henry	Henry	Sullivan
				Sullivan	

Compensation Committee members standing for reelection

Funded above target in four of the last five years

Note: Reflects "Funded" component of Executive Management Performance Incentive ("EMPI") plan.
(a) Per Cliffs proxies dated June 10, 2014; April 1, 2013; March 23, 2012; April 4, 2011 and March 26, 2010.

…that rewarded Management for Bloom Lake and Chromite…

"…in 2013, the Corporate Strategic Objectives included areas such as operational excellence (safety, environmental), growth and diversification ***(including the Bloom Lake expansion and Ferrochrome)****, global execution (including talent management, labor strategy and diversity), balance sheet improvement and working capital allocation."*

—Cliffs Proxy dated June 10, 2014 (emphasis added)

Bonuses paid for these results

($ in millions)

Project	Capex & Acquisition Cost 2013	Capex & Acquisition Cost Cumulative	2013 Operating Margin	2013 Return on Assets[c]
Bloom Lake[a]	~($600)	($6,000)	$71[b]	~1.2%
Ferrochrome (Chromite)	~($40)	($500)	–	0%

(a) Bloom Lake 2013 capex and operating figures estimated by Casablanca based on Company's disclosed figures for Eastern Canadian Iron Ore segment, backing out estimated figures for Wabush of $30 million 2013 sustaining capex and operating margin of ($80) million, based on Wabush volumes of 2.8 million tons, cash costs of $143 per ton and realized price of $114.5 per ton.

(b) Casablanca estimate. Assumes Bloom Lake (ex: Wabush) operating margin of $155 million ($75 million 2013 ECIO operating margin less ($80) million operating margin at Wabush) less $60 million take-or-pay payment. Resulting operating margin of $95 million is then adjusted for Wuhan's 25% stake, resulting in $71 million attributable to Cliffs.

(c) Reflects operating margin divided by total invested assets.

…and created questionable Management incentives…

	Weighting Factors of Executive Short-Term Incentive Plan				
	2009	2010	2011	2012	2013
Earnings					
Earnings Metric Used for Bonuses	Adj. Pre-tax Earnings	Adj. Pre-tax Earnings	None	Net Income	Adjusted EBITDA
Target	50.0%	50.0%	–	20.0%	20.0%
Funded	38.1%	37.6%	–	0.0%	26.2%
Operating					
Production Volumes[a]	–	–	25.0%	27.5%	30.0%
Realized Price[a]	–	–	25.0%	–	–
Cost Controls[a]	25.0%	25.0%	25.0%	27.5%	25.0%
Subtotal	25.0%	25.0%	75.0%	55.0%	55.0%

Earnings metric changed four times in four years; increasing emphasis on volumes

No weighting to account for capital spend despite $9 billion of failed expenditures

Over $1.5 billion in write-downs in last two years, but no penalty to Management

(a) Reflects aggregated metric for each category—actual weightings are further broken down by geographical segment. See Company proxies for disclosure for details.

…without regard for shareholder returns

Year-on-Year Total Shareholder Returns

CEO Compensation

($ in millions)

2009	2010	2011	2012	2013	5-Year Total
$5.4	**$5.6**	**$6.4**	**$6.2**	**$10.7**[(a)]	**$34.3**

CEO compensation increased as shareholder returns plummeted

(a) Includes $7.1 million severance. 2013 figures reflect only Joseph Carrabba's compensation. Mr. Carrabba retired as CEO effective November 11, 2013. Does not reflect additional $2.5 million paid to Gary Halverson as COO and $1.2 million paid to James Kirsch in 2013.

Buried details on Executive Chairman compensation…

2013 Executive Compensation[(a)]

Name	Total ($)
Gary B. Halverson	$2,539,145
Terrance M. Paradie	1,156,654
P. Kelly Tompkins	1,985,267
Donald J. Gallagher	3,881,130
Colin Williams	1,313,262
William Hart	1,168,045
Joseph A. Carrabba	10,744,662
Laurie Brlas	3,983,243
Total	$26,771,408

Where is James Kirsch's compensation as Executive Chairman?

Details on James Kirsch's 2013 Compensation

Cash	$333,750
Phantom Stock	750,000
RSUs	85,000
RSU Dividends	3,450
Housing Expenses	21,400
Total	**$1,193,600**

James Kirsch 2014 Compensation Opportunity[(b)]

Omitted from proxy

	Target	Max
Base Salary	$800,000	$800,000
Target Bonus	960,000	1,920,000
Long Term Incentive	1,800,000	1,800,000
Total	**$3,560,000**	**$4,520,000**

(a) Per Cliffs proxy dated June 10, 2014.
(b) Per Letter Agreement between Cliffs and James Kirsch dated December 4, 2013. Mr. Kirsch ceased to be Executive Chairman on May 23, 2014.

…yet James Kirsch has never paid a penny for Cliffs stock

Jim Kirsch

$0

Note: Calculation of cash investment excludes shares granted as part of director and executive compensation.

Gary Halverson is paid richly as a novice CEO…

Gary Halverson's 2013 Compensation[a]	
Salary	$118,750
Bonus	600,000
RSUs	1,648,350
Executive Management Incentive	139,162
Relocation Expense	32,883
Total	**$2,539,145**

Paid $60,000 per day for 43 days' work as CEO-in-training

Gary Halverson's 2014 Compensation Opportunity[a]	Target	Max
Base Salary	$950,000	$950,000
Target Bonus	1,140,000	2,280,000
Long Term Incentive	3,562,500	3,562,500
Total	**$5,652,500**	**$6,792,500**

(a) Per Cliffs proxy dated June 10, 2014.

…yet did not invest any of his winnings in Cliffs stock

Gary Halverson
CEO

$0

Note: Calculation of cash investment excludes shares granted as part of director and executive compensation.

Board and Management together own less than ~0.3%

Economic Exposure of Board[a]	Shares Granted	Shares Purchased for Cash
Executive Chairman	39,975	0
CEO	97,560	0
Other Board Members (Aggregate)	91,651	3,460[b]
Total	229,186	3,460

Board of Directors

Name	Common Stock Ownership	$ Value	% Out.
Gary Halverson[c]	97,560	$1,418,522	0.06%
James Kirsch[c]	39,975	581,237	0.03%
Barry Eldridge	23,882	347,244	0.02%
Susan Cunningham	20,232	294,173	0.01%
Andres Gluski	12,049	175,192	0.01%
Susan Green	11,628	169,071	0.01%
Janice Henry	11,201	162,863	0.01%
Timothy Sullivan	5,823	84,666	0.00%
Mark Gaumond	5,047	73,383	0.00%
Stephen Johnson	2,728	39,665	0.00%
Richard Riederer	2,521	36,655	0.00%
Total Board of Directors	**232,646**	**$3,382,673**	**0.15%**

Executive Leadership

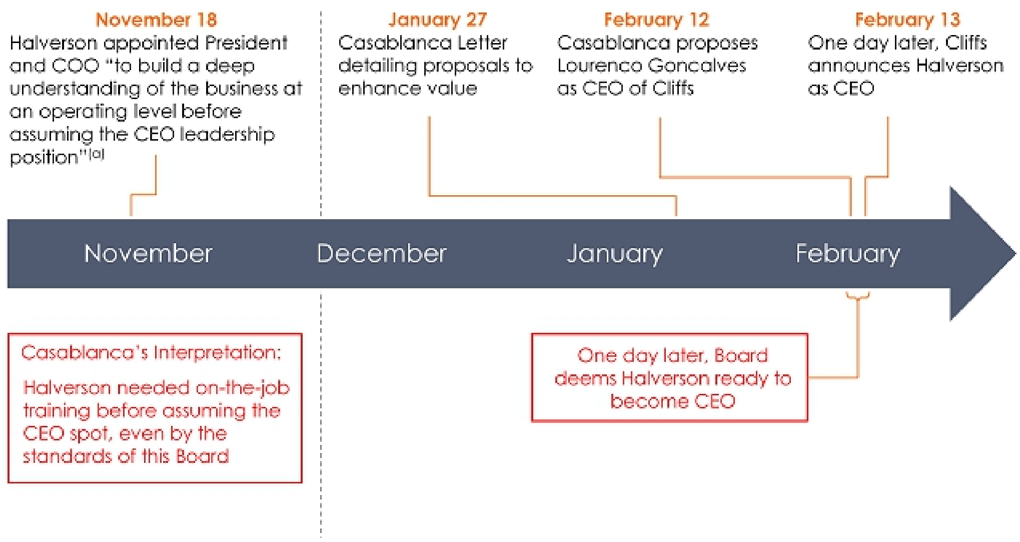
Name	Common Stock Ownership	$ Value	% Out.
Kelly Tompkins	69,415	1,009,294	0.05%
William Boor	68,827	1,000,745	0.04%
Terrance Paradie	30,134	438,148	0.02%
Clifford Smith	37,685	547,940	0.02%
David Webb	17,268	251,077	0.01%
Terry Fedor	10,281	149,486	0.01%
Total Non-Board Executives	**233,610**	**$3,396,689**	**0.15%**
Total Board + Executives	**466,256**	**$6,779,362**	**0.30%**

(a) Per Bloomberg.
(b) Reflects 1,040, 1,290 and 1,130 shares acquired by Andres Gluski on November 5, 2013, May 11, 2012 and August 1, 2011, respectively. Mr. Gluski is not standing for reelection.
(c) Excluded from Executive Total.

D Poor Director and Executive Qualifications

The Board's rushed CEO appointment…

…was a poor exercise of its fiduciary duties



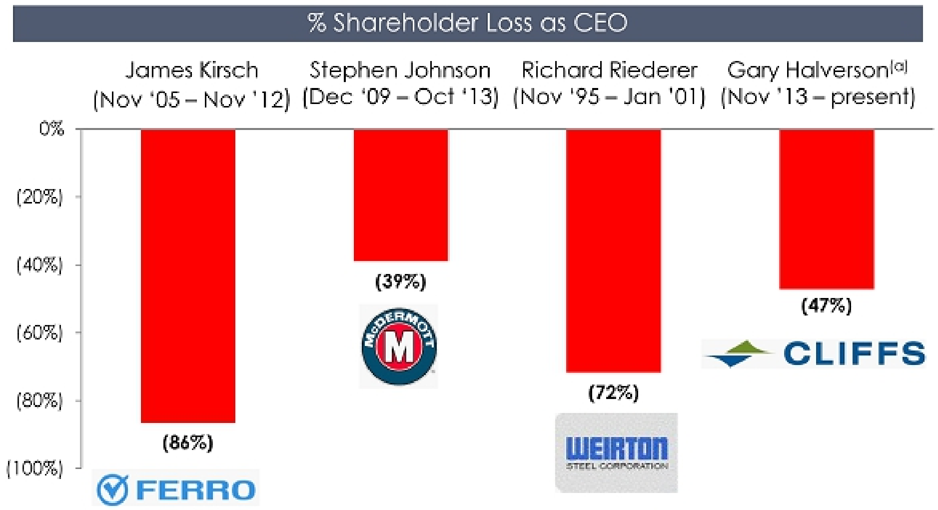
(a) Announced October 25, 2013. Mr. Halverson assumed the President and COO position effective November 18, 2013.

Our view: Gary Halverson is ill-equipped to be CEO

- Lack of track record at Barrick Gold
  - Three-month stint as interim Chief Operating Officer of Barrick Gold
  - One of five COOs in the last two years
- NO experience as a CEO or as a public-company director
- NO proven leadership experience
- NO experience in ferrous metals

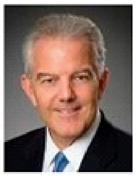
Cliffs needed a CEO able to fix mistakes of the past—
instead, the Board appointed a journeyman operator
that works to perpetuate the status quo

Cliffs' Board has become a refuge for failed CEOs



(a) Halverson served as COO and President from November 28, 2013 to February 12, 2014, during which time the CEO seat remained vacant; he became CEO thereafter.

James Kirsch: CEO Experience



FERRO

CEO
(Nov '05 – Nov '12)
Cliffs Director
(Mar '10 – Present)

Ferro Stock Price under CEO Kirsch

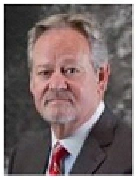
(a) Through March 4, 2014.

Casablanca's Views

- Oversaw 86% value destruction as CEO of Ferro
- During Kirsch's tenure, over-invested in a trendy solar energy strategy
  - Stock recovered 413% after Kirsch departed[(a)]
- As a Cliffs Board member, approved similarly-trendy over-investment

86% Shareholder Loss

Stephen Johnson: CEO Experience



CEO
(Dec '09 – Oct '13)
Cliffs Director
(Oct '13 – Present)

McDermott Stock Price under CEO Johnson

Casablanca's Views

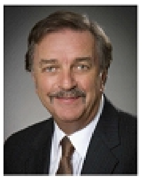
- Oversaw 39% value destruction as CEO of McDermott
  - Stock recovered 26% after Johnson's departure[a]
- Cliffs' announcement of Johnson's directorship:

"[Johnson] brings forth ***exceptional experience with large international construction projects.*** Steve's strategic counsel will be important to our board as we ***execute future expansion and growth plans.***" [b]

39% Shareholder Loss

(a) Through January 16, 2014.
(b) Source: September 30, 2013 Company press release.

Richard Riederer: CEO Experience



WEIRTON STEEL CORPORATION

CEO
(Nov '95 – Jan '01)
Cliffs Director
(Jun '02 – Present)

Weirton Steel Stock Price under CEO Riederer

Casablanca's Views

- Sole CEO experience was at $200 million market cap company
- Market cap declined by 72% to ~$50 million while Riederer served as CEO
- Has served on Cliffs' Board for 12 years—oversaw hiring of both Carrabba and Halverson

72% Shareholder Loss

Gary Halverson: CEO Experience

CLIFFS

COO
(Nov '13 – Feb '14)
CEO
(Feb '14 – Present)
Cliffs Director
(Nov '13 – Present)

Cliffs Stock Price under Halverson

Casablanca's Views

- No CEO or board experience before joining Cliffs
- Joined Cliffs as CEO-in-training (CEO spot left empty)
- Market cap declined by 47% since Halverson joined in Nov 2013

47% Shareholder Loss

V The Casablanca Plan to Unlock Value

Multi-pronged plan

- ☑ Install new leadership
- ☑ Stop the bleeding at Bloom Lake
- ☑ Exit international
- ☑ Divest non-core assets
- ☑ Address cost structure
- ☑ Refocus on core U.S. business
- ☑ Return capital to shareholders
- ☑ Explore second-stage value-creation opportunities

"New Cliffs" would be a regional champion

What's left	What's discarded
• Reduced commodity risk	• Seaborne iron ore volatility
• Geographically protected market	• High-risk development overhang
• Single, high-quality, reliable product	• Far-flung geography
• Strong market share	• Distracting exploration efforts
• Premier end markets	• Loss-making operations
• Simplified story	• Excessive corporate overhead
• Focused management	
• Healthy balance sheet	
• Lean operating structure	
• Tangible growth opportunities	

☑ Stop the bleeding at Bloom Lake

Producing at a loss is imprudent—a more proactive approach is needed

- Move quickly to stop bleeding
  - No more producing at a loss per incremental ton
- Implement robust strategic review process
- Expand range of strategic solutions
- Aggressively restructure take-or-pay contract
- Reengage with current JV partner (Wuhan)
  - Strive to repair relationship

Derisk, defease and deconsolidate

☑ Exit international

Cliffs is too small to compete head-to-head with the iron ore majors

- Exit seaborne markets in most efficient way possible
  - Many potential mechanisms (spin-off, sponsored spin, partial sale or total sale)
- Asia Pacific should be sold now
  - Holds greatest strategic value *today*
  - Value declines each year given projected end of life
- Bloom Lake and Asia Pacific can be packaged together, if optimal structure
  - "Cliffs International" could have strategic value to selected potential buyers
- Proceeds can be put to better use at home
  - Shore up balance sheet / reduce debt
  - Return capital to shareholders
  - Focus on domestic opportunities (e.g., direct reduced iron (DRI))

Cliffs has limited international expertise and should focus on its core U.S. Iron Ore business

☑ Divest non-core assets

Non-core assets are a distraction and drag on the balance sheet

- Development portfolio became a slush fund for disparate endeavors
  - Chromite
  - Nickel
  - 10% interest in Zenyatta Ventures (TSX: ZEN)—graphite
  - Other development projects
- Coal
- 115 MW Silver Bay power plant

Management attention must be focused on key areas of opportunity

Address cost structure

Cliffs must adopt an ownership attitude towards costs

- Corporate footprint remains bloated and far-flung
  - 442 people in corporate
  - Seven offices on 3 continents
- Cost cutting opportunity far exceeds Company guidance, in our view:

Benchmarking SG&A as % of Revenue

	Historical[d] 2013	Historical[d] LTM
Benchmarking: SG&A as % of Revenue		
Diversified Mid-tiers		
Teck Resources	1.4%	1.4%
Hudbay	7.7%	8.5%
Lundin	3.2%	3.4%
Thompson Creek	2.1%	2.3%
Median - Diversified Mid-tiers	**2.7%**	**2.8%**
Cliffs Natural Resources	**4.1%**	**4.3%**

Cliffs SG&A Opportunity

		Illustrative SG&A Margin[a]	SG&A Reduction (bps)	SG&A Reduction ($ mm)	Pro Forma SG&A ($ mm)	Illustrative Value per Share of Savings[b]
Cliffs	LTM	4.6%	0	$ -	$ 234	$ -
	Run Rate[c]	4.3%	(29)	(30)	204	0.84
	Guidance	3.9%	(69)	(49)	185	1.38
		3.6%	(100)	(64)	170	1.79
		3.1%	(150)	(88)	147	2.46
Comps	Median	2.6%	(200)	(112)	123	3.13
	Best in Class	2.1%	(250)	(135)	99	3.80
	Best in Class	1.6%	(300)	(159)	75	4.47

Casablanca estimates an additional $75 – $100 million per year of overhead can be cut

Notes appear at the end of the section.

☑ Refocus on core U.S. business

Cliffs' U.S. business remains its greatest strength and opportunity

- Geographically protected niche
  - Largest iron ore producer in the United States
  - Close to 60% of the iron ore production capacity in the Great Lakes
  - Current production rates imply 40+ years of mine life on proven reserves
  - Long-term supply contracts buffer commodity price swings
- We believe Cliffs can be profitable even in a commodity pricing downcycle
- Steps to take:
  - Refine portfolio to emphasize these assets
  - Drive down costs and increase efficiency
  - Strengthen contractual relationships with customers
  - Invest in business

Casablanca believes Cliffs' U.S. Iron Ore business is underappreciated by the market and holds the key to its future

☑ Return capital to shareholders

Shareholders have received too little for too long

- Refocused Cliffs should have capacity to increase its dividend payout without eroding credit metrics
- Increased return of capital should:
  - Instill financial discipline
  - More clearly communicate priorities to investors

Available Free Cash Flow per Share for Dividends Under Casablanca Plan[a]

	Long-term Iron Ore	2014	2015	2016	2017
	$90	$2.88	$3.15	$2.67	$1.72
	$100	2.96	$3.43	3.12	2.26
	$110	3.05	$3.70	3.58	2.80
Net Debt / EBITDA	$90	2.8x	1.0x	0.8x	0.8x
	$100	2.7	0.9	0.5	0.3
	$110	2.7	0.8	0.3	(0.1)

Shareholder returns can no longer be an afterthought

(a) Net Debt / EBITDA assumes estimated net proceeds from asset sales of $1.25 billion received in 2015.

☑ Explore second-stage value-creation opportunities

After implementing our plan, Cliffs will be well positioned for additional second-stage value creation opportunities

- Domestic expansion
  - Cliffs ideally suited for direct reduced iron (DRI) opportunity
  - Large market opportunity for Cliffs
- MLP:
  - Casablanca has conducted significant research with both MLP capital markets bankers and investors
  - Believe an MLP can be executed successfully in appropriate market conditions to reduce corporate taxes and enhance investor distributions
- Sale of the Company:
  - Cliffs is the only pure-play iron ore miner to offer strategic access to the U.S. market in this scale

U.S. Iron Ore business is profitable and strategic

Notes

(a) Implied SG&A Margin calculated as Pro Forma SG&A divided by Casablanca forecast 2014 revenues of $4,771 million.
(b) Illustrative Value per Share calculated as SG&A reduction valued at 5.0x multiple, divided by current diluted shares outstanding.
(c) Run Rate calculated as last quarter annualized.
(d) Reflects year end 12/31.

A Effective Board and New Leadership for Cliffs

Casablanca's Board candidates are highly qualified

	Metals &	Public Company Experience			Financial/Transactional Experience	
Name	Mining Experience	CEO	Other Executive	Board	Investment Banking	Principal Investing
Lourenco Goncalves	✓	✓	✓	✓		
Rip Fisher	✓			✓	✓	✓
Patrice Merrin	✓	✓	✓	✓		
Joseph Rutkowski	✓		✓			
Gabriel Stoliar	✓		✓	✓		✓
Douglas Taylor				✓	✓	✓

Our Board nominee qualifications

Nominees	Key Qualifications
Lourenco Goncalves CEO Candidate	• Hired as CEO of Metals USA in February 2003; took the company private in November 2005; IPO'd the company in April 2010 and sold the company to Reliance Steel & Aluminum in April 2013 • CEO of California Steel Industries from March 1998 to February 2003
Rip Fisher	• Former Goldman Sachs Managing Director, Head of Mining and Head of Canadian Corporate Finance and Investment Banking • Former Director of CML HealthCare Inc., Chairman of Compensation Committee and Independent Committee to study Strategic Alternatives (company sold for 49% premium)
Patrice Merrin	• Director of Stillwater Mining • Former Chairman of CML HealthCare Inc. • Director of Climate Change and Emissions Management Corp. • Former CEO of Luscar and Executive Vice President of Sherritt International
Joseph Rutkowski	• Former Nucor Corporation Executive Vice President of Business Development
Gabriel Stoliar	• Managing Partner of Studio Investimentos, an asset management firm • Former Vale S.A. CFO and Executive Director of Planning & Business Development • Former BNDES Executive Director • Current Chairman of Tupy (publicly traded)
Douglas Taylor	• Managing Partner and Co-CIO of Casablanca Capital LP • Former Lazard Frères & Co and Wasserstein Perella Managing Director • Former Director and CFO of Sapphire Industrials

Casablanca is not seeking to "take control" of Cliffs

- Wrong to assert Casablanca seeks "full control of Cliffs' Board… without paying a control premium"
  - All of our nominees would be independent directors at Cliffs and owe fiduciary duties equally to *all* shareholders
- Five of our director nominees are independent of Casablanca
  - Have no prior relationship with Casablanca
  - Do not (and will not) receive any compensation from Casablanca
- Casablanca is only seeking a majority to ensure new executive leadership is installed at this critical juncture
  - Our proposed settlement agreement provided for three out of nine directors with Mr. Goncalves as Executive Chairman and Gary Halverson remaining as CEO

Meaningful change would benefit all shareholders

Lourenco Goncalves: 30 years of experience

- Metals USA
  - Served as President and Chief Executive Officer from February 2003 until the sale of Metals USA to Reliance Steel & Aluminum in April 2013
  - Metals USA was one of the largest metals service center businesses in the United States, operating 48 locations
- California Steel Industries (CSI)
  - Served as President and Chief Executive Officer of CSI, a joint venture between Vale and Kawasaki Steel (now JFE Holdings), from March 1998 to February 2003
  - Transformed company from a break-even steel producer into one of the most important and profitable players in the flat rolled steel industry
- Companhia Siderurgica Nacional (CSN)
  - From 1981 to 1998 Mr. Goncalves worked at CSN, where he held the position of Managing Director
  - CSN is one of the largest steel producers in Brazil and is vertically integrated with iron ore operations

Lourenco Goncalves is a proven value creator for shareholders

Creating value for shareholders at Metals USA

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

February 2003
- Lourenco Goncalves joins Metals USA as its President and CEO
- Stock price: $3.08

May 2005
- Metals USA is taken private by Apollo for $22 per share
- Apollo invests $136 million of equity ($752 million transaction value)

May 2006
- Metals USA pays a $25 million dividend to its shareholders

January / July 2007
- Metals USA pays a total of $275 million in dividends to its shareholders

April 2010
- Metals USA IPO through a 100% primary offering. Apollo retains 64% ownership

August 2012
- Apollo completes a $59 million secondary offering, retaining 53% ownership

February 2013
- Metals USA is sold to Reliance Steel & Aluminum for $1.2 billion in cash

~7x increase from the time Mr. Goncalves took over as CEO

Apollo made approximately 5.5x its original investment over eight years

Aligned with shareholders: personally invested $1.5 mm in Cliffs


Lourenco Goncalves

$1.5 million

B Implementation Plan

Comprehensive preparation for the first 90 days

- Board-level
  - Board nominees have regularly convened telephonically and in-person
  - Implementation plan conceived, reviewed and iterated by all nominees
- CEO-level
  - Mr. Goncalves has engaged in an in-depth process to establish the CEO's 90-Day Plan, including the following:
    - Met with current and prospective Cliffs shareholders
    - Undertook thorough financial review
    - Assessed market opportunity to strengthen core U.S. iron ore
    - Identified strategic opportunities around portfolio mix
    - Integrated feedback from Board nominees
    - Met with executives of mining peers
    - Met with multiple investment banks, discussing topics including:
      - Strategic / M&A interest in Cliffs assets
      - Credit profile and ratings agencies' perspectives

Plan for the First 90 Days

Employee Communications	• Communicate the new strategy and new direction to all employees, from direct reports down to the rank and file
	  • Set clear expectations
	  • Emphasize ownership approach
	• Implement a phone and web-based hotline, allowing employees to communicate directly with the CEO

Organizational Changes	• Establish known performance indicators and internal operational covenants • Establish HR task force to conduct organizational review • Simplify organization chart to reduce layers of Management and Management positions • Identify the real talent within the Company and promote the talented players to key positions • Integrate Board: assess areas of expertise/knowledge for both legacy and new Board members
Safety	• Ensure all officers and managers are directly responsible for the safety of their personnel • Gather and assess institutional awareness and current systems • Ensure that all bonuses have clearly-identifiable link to Total Recordable Incident Rate (“TRIR”)

Plan for the First 90 Days (cont'd)

Internal Controls	• Implement a new, simplified and objective Management Information Reporting System to generate mission-critical daily, weekly and monthly information • Establish benchmarks to identify what is and is not working • Meet with internal and independent auditors (Deloitte & Touche LLP)
Strategic & Asset Review	• CEO to lead comprehensive strategic and asset review, develop strategic plan and present to Board
Bloom Lake Restructuring	• Suspend all growth capex and all maintenance capex except urgent safety-related projects until a comprehensive capex review has been concluded • Meet with and engage current JV partner (Wuhan) ◦ Understand original reasoning to invest in Bloom Lake and their current view • Actively engage with other potential strategic partners
Address Non-Core Assets	• Engage investment bank(s) to provide views on divesting Asia Pacific, Chromite, Coal and other non-core assets • Reach out to all parties that have previously demonstrated serious interest in acquiring non-core assets

Plan for the First 90 Days (cont'd)

Customers	• Engage with key customers and internal relationship managers
	  • Assess status of relationship
	  • Communicate objectives
	• Review all customer contracts

Creditor Engagement	• Meet with banks • Meet with rating agencies • Clearly articulate goals and credit priorities

VI Closing Thoughts

Cliffs' (actual and illustrative) objections and our responses

We already have a plan to reduce SG&A and Exploration

- Plan does not fundamentally alter organizational structure
- Cost-cutting opportunity is far greater than Management has indicated

We're already reviewing strategic alternatives at Bloom Lake

- Strategic review appears to lack intensity
- No obvious self-help solutions
- Cliffs has ruled out broader solutions (e.g., including Asia Pacific)

We don't want to sell assets in a down market

- The Company should not be trying to call the bottom of the market
- Market is not recognizing value while the right buyer will
- Serious buyers should value assets taking the entire commodity cycle into account

Asia Pacific is strategic—we should retain it

- There are no operating benefits between the Asia Pacific and the North American assets—corporate oversight from Cleveland makes no sense
- Buyers likely to pay greatest strategic value now

Divesting Asia Pacific would endanger our credit profile

- Proceeds can be used to pay down debt
- Removal of seaborne iron ore exposure reduces risk profile

Returning capital to shareholders endangers our credit profile

- Returning capital is part of a broader plan to reduce costs and capex, and to monetize non-core assets
- Plan is structured to preserve balance sheet integrity

Cliffs' (actual and illustrative) objections and our responses
(cont'd)

Our diversified asset base reduces risks to shareholders

- Diversified earnings benefit Management, not shareholders
  – Hide inefficiencies
  – "Cookie jar" to manage earnings
- Fit-and-focus benefits of narrower operations would far outweigh supposed diversification benefits
- Diversification has increased risk profile and destroyed value

Our asset base enjoys operating synergies

- Far-flung operations increase operating costs and dilute Management focus
- There are no discernable overlaps in customers or operations

Lourenco Goncalves lacks mining experience

- Mr. Goncalves served as General Superintendent of CSN, which owns the Casa de Pedra iron ore mine
- He holds a Master's degree in Metallurgical and Mining Engineering

Casablanca dropped its proposal for a spin-off

- First, Cliffs halted its Bloom Lake expansion—a step that fundamentally changes the story for a spin-off
- A separation by another mechanism is still core to our plan

We are already giving Casablanca two seats on our Board

- This is an entrenchment device, in our view—Cliffs is attempting to limit Casablanca to a cosmetic role without implementing real change

Casablanca just wants to take control

- Only one Casablanca nominee works for Casablanca Capital, the other five are independent
- Changes implemented would be for the benefit of all shareholders

Conclusion

- As a significant shareholder, Casablanca is alarmed by the value destruction that has occurred under this Board's watch
- The status quo is unacceptable in our view and shareholders have suffered enough
- Cliffs desperately needs a new strategy and leadership with a fresh perspective
- We believe substantial shareholder representation among a group of highly qualified, independent directors on Cliffs' Board, and a new CEO, are critical components of any solution

Casablanca believes its slate of director nominees is overwhelmingly qualified and offers a superior alternative to the incumbent directors who are up for reelection at the 2014 annual meeting

Vote the GOLD proxy card

- Casablanca urges shareholders to vote the GOLD proxy card
- For additional information, please contact our proxy solicitor:

OKAPI PARTNERS

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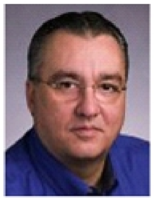
New York, N.Y. 10022
(212) 297-0720
Stockholders Call Toll-Free at: (877) 274-8654
E-mail: info@okapipartners.com

Appendix

Lourenco Goncalves

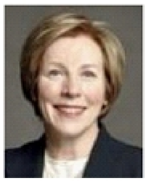


- Mr. Goncalves served as Chairman of the Board, President and Chief Executive Officer of Metals USA Holdings Corp., a leading American manufacturer and processor of steel and other metals, from May 2006 through April 2013, and was President, Chief Executive Officer and a director of the company since February 2003
- Prior to Metals USA, Mr. Goncalves served as President and Chief Executive Officer of California Steel Industries, Inc. from March 1998 to February 2003
- From 1981 to 1998 he was employed by Companhia Siderúrgica Nacional ("CSN"), a leading steel and mining company in Brazil, where he held several positions in operations and sales
- From October 2011 until April 2014, Mr. Goncalves served as a board member of Ascometal SAS, a manufacturer of special steel headquartered in Paris, France
- Mr. Goncalves earned a Masters of Science degree in Metallurgical and Mining Engineering from the Federal University of Minas Gerais in Belo Horizonte, Brazil and a Bachelor's degree in Metallurgical Engineering from the Military Institute of Engineering in Rio de Janeiro, Brazil
- Mr. Goncalves' qualifications as director include his more than 30 years of experience in the metals and mining industries, and his extensive experience serving on the boards of directors in the United States and abroad

Rip Fisher

- Mr. Fisher serves as the President and Chief Executive Officer of George F. Fisher, Inc., a private investment company that manages a portfolio of public and private investments, and has done so since 2002
- Mr. Fisher served in various positions with Goldman, Sachs & Co., an American multinational investment banking firm, from 1982 until 2001, eventually serving as Managing Director and head of its Canadian Corporate Finance and Canadian Investment Banking units for eight years
- Mr. Fisher worked extensively with many of the leading North American metals and mining companies, and also served as the head of Goldman's Investment Banking Mining Group
- Mr. Fisher served as a director of CML HealthCare, Inc., a leading provider of private laboratory testing services, from 2010 until 2013
- Mr. Fisher served on CML's Audit and Corporate Governance Committees, and as the Chairman of CML's Human Resources Committee, Chief Executive Officer Search Committee and the Special Committee to consider strategic alternatives; during his term, Mr. Fisher's committees hired a new Chief Executive Officer, re-aligned management compensation plans, and the company was sold for a 49% premium to the public price
- Mr. Fisher currently serves as Vice President and Scholarship Committee Chair of Sailfish Point Foundation, a non-profit foundation, since 2012; he served as President of Westchester Youth Soccer League, a non-profit organization, from 2004 until 2011
- Mr. Fisher holds a Bachelor of Arts degree from Dartmouth College and a Master of Arts degree in Law and Diplomacy from Tufts University
- Mr. Fisher's qualifications as director include his vast experience in the investment and finance industries which included advising the boards of numerous public companies, and his previous directorship

Patrice Merrin



- Ms. Merrin has been a director of Stillwater Mining Company, which mines and refines PGMs, since May 2013
- At Stillwater Mining Company, she is also Chairman of the Corporate Governance and Nominating Committee, a member of the Compensation Committee and was Chairman of the CEO Search Committee
- She was Chairman of the board of directors of CML HealthCare Inc., a leading provider of medical diagnostic laboratory services, from March 2011 to September 2013, at which time the company was acquired by OMERS/Borealis
- Ms. Merrin had been a director of CML since 2008 and had served as Interim Chief Executive Officer from May 2011 to February 2012
- Ms. Merrin served as a director of Enssolutions Group Inc., which provides engineered environmental applications for mine tailings control, process dust and stockpile sealing from 2009 to 2011
- She was a director of The NB Power Group, a company that generates and distributes electricity from nuclear, hydro, wind and oil from 2007 to 2009, and was Chairman of the Environment, Health and Safety Committee from 2008 to 2009
- From 2005 to 2006, Ms. Merrin served as President, Chief Executive Officer and a director of Luscar Ltd., Canada's largest producer of thermal coal, and as Executive Vice-President from 2004-2005; during her tenure, Luscar was owned equally by Sherritt International Corporation and Ontario Teachers' Pension Plan Board
- Prior to joining Luscar, from 1999 to 2004, Ms. Merrin was Executive Vice President and Chief Operating Officer of Sherritt International, a diversified international natural resources company with assets in base metals mining and refining, thermal coal, oil, gas and power generation
- Since January 2012, Ms. Merrin has been a director of Ontario's air ambulance service, where she chairs the Human Resources and Compensation Committee and was Chairman of the CEO Search Committee. She was a Director of the Climate Change and Emissions Management Corporation, created to support Alberta's initiatives on climate change and the reduction of emissions, from 2009 to 2014
- Ms. Merrin was a member of the National Advisory Panel on Sustainable Energy Science and Technology from 2005 to 2006, and from 2003 to 2006 was a member of Canada's National Round Table on the Environment and the Economy
- Ms. Merrin holds a Bachelor of Arts degree from Queen's University and completed the Advanced Management Programme at INSEAD
- Ms. Merrin's qualifications include her extensive operating and financial experience as a senior executive and multiple directorships

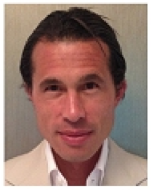
Joseph Rutkowski

- Mr. Rutkowski spent 21 years at Nucor Corporation ("Nucor"), the largest steel producer in the United States prior to his departure in 2010
- Mr. Rutkowski began his career with Nucor in 1989 at Nucor Cold Finish, a division of Nucor and the largest cold finished bar producer in North America
- He served as manager of melting and casting at the Nucor steel division from 1991 until 1992 and general manager of Nucor from 1992 until 1998
- He was promoted to Vice President in 1993 and Executive Vice President in 1998
- Mr. Rutkowski holds a Bachelor's of Science in Mechanics and Materials Science from Johns Hopkins University
- Mr. Rutkowski's qualifications as director include over 30 years of experience in the steel industry, including 12 years of service as an Executive Vice President of Nucor, a publicly traded Fortune 300 company
- Mr. Rutkowski currently serves as a Principal at Winyah Advisors LLC, a management consulting firm, and has served in this role since 2010

Gabriel Stoliar

- Mr. Stoliar currently serves as managing partner of Studio Investimentos, an asset management firm focused on Brazilian equities, where he has served since 2009
- Mr. Stoliar serves as Chairman of the board of directors at Tupy S.A., a publicly-traded foundry and casting company, and has done so since 2009
- Mr. Stoliar has also served on the boards of directors of Knijnik Engenharia Integrada, an engineering company, and LogZ Logistica Brasil S.A., a ports logistic company, since 2013 and 2011, respectively
- Mr. Stoliar previously served as the Chief Financial Officer and Head of Investor Relations and subsequently as Executive Director of Planning and Business Development at Vale S.A., a Brazilian multinational diversified metals and mining company, from 1997 until 2008
- He was an Executive Director at BNDES Participações from 1994 to 1997
- Mr. Stoliar holds a Bachelor's of Science in Industrial Engineering from the Universdade Federal do Rio de Janeiro, a post graduate degree in Production Engineering with focus in Industrial Projects and Transportation from the Universdade Federal do Rio de Janeiro and an Executive MBA from PDGSDE/ RJ
- Mr. Stoliar's qualifications as director include his vast experience in and relating to the metals and mining industries along with his extensive experience serving on various boards of directors

Douglas Taylor



- Mr. Taylor has served as Managing Partner and Co-Chief Investment Officer of Casablanca Capital LP, a hedge fund, since he co-founded it in 2010
- Prior to Casablanca, Mr. Taylor was a Managing Director at Lazard Freres & Co. LLC, a leading financial advisory and asset management firm, from 2002 until 2010
- From 2000 until 2001, Mr. Taylor served as a Managing Director of Dresdner Kleinwort Benson, and from 1993 until 2000, he held various positions, including Managing Director at Wasserstein Perella, a global mergers and acquisitions advisory and investment firm, which was bought by Dresdner Bank
- Mr. Taylor began his investment banking career at Toronto Dominion Bank, a Canadian multinational banking and financial services corporation, where he served as Associate from 1990 until 1993
- From 2008 to 2010, Mr. Taylor was the Chief Financial Officer and director at Sapphire Industrials Corp., a blank check company formed for the purpose of effecting business combinations with one or more operating businesses
- Mr. Taylor holds a Bachelor of Arts degree in Economics from McGill University and a Master of Arts degree in International Affairs from Columbia University School of International and Public Affairs