



**Item 2.02. Results of Operations and Financial Condition.**

On July 27, 2017, Cliffs Natural Resources Inc. issued a news release announcing the second-quarter financial results for the quarter ended June 30, 2017. A copy of the news release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, unless such subsequent filing specifically references this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) **Exhibits.**

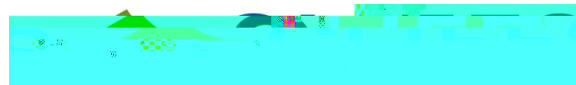
<b>Exhibit Number</b>	<b>Description</b>
99.1	Cliffs Natural Resources Inc. published a news release on July 27, 2017 captioned, "Cliffs Natural Resources Inc. Reports Second-Quarter 2017 Results"

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## EXHIBIT INDEX

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99.1	Cliffs Natural Resources Inc. published a news release on July 27, 2017 captioned, "Cliffs Natural Resources Inc. Reports Second-Quarter 2017 Results"



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## Cliffs Natural Resources Inc. Reports Second-Quarter 2017 Results

- Net Income from Continuing Operations of \$77 million
- Earnings from Continuing Operations of \$0.26 per diluted share

**CLEVELAND—July 27, 2017**—Cliffs Natural Resources Inc. (NYSE: CLF) today reported second-quarter results for the period ended June 30, 2017. The Company reported consolidated revenues of \$569 million, an increase of 15 percent compared to the prior year's second-quarter revenues of \$496 million. Cost of goods sold increased by 5 percent to \$424 million compared to \$405 million reported in the second quarter of 2016.

The Company recorded net income from continuing operations of \$77 million in the second quarter, including a \$5 million, or \$0.02 per share, loss on extinguishment of debt. This compares to net income from continuing operations of \$30 million recorded in the prior-year quarter, which included a \$4 million gain on extinguishment of debt. Second-quarter 2017 net income of \$30 million included a \$46 million non-cash loss from discontinued operations.

For the second quarter of 2017, adjusted EBITDA<sup>1</sup> was \$137 million, a 35 percent increase compared to \$102 million reported in the second quarter of 2016.

Adjusted EBITDA <sup>1</sup> by Segment (in millions)				
	U.S. Iron Ore	Asia Pacific Iron Ore	Corporate/ Other	Total
Q2 2017 Adjusted EBITDA <sup>1</sup>	\$ 161.5	\$ 3.0	\$ (27.5)	\$ <u>137.0</u>

Lourenco Goncalves, Cliffs' Chairman, President and Chief Executive Officer, said, "Our second quarter results clearly demonstrate the true strength of our iron ore business. Our U.S. Iron Ore segment continues to be a key driver of our performance, and we are confident in our ability to maintain and improve our market position. The Asia Pacific Iron Ore segment also shows strong growth, and we are pleased with the performance of our Corporate/Other segment. Overall, our second quarter results are a testament to the resilience and adaptability of our business model. We remain committed to our long-term strategy and to delivering sustainable value to our shareholders. Our second quarter results clearly demonstrate the true strength of our iron ore business. Our U.S. Iron Ore segment continues to be a key driver of our performance, and we are confident in our ability to maintain and improve our market position. The Asia Pacific Iron Ore segment also shows strong growth, and we are pleased with the performance of our Corporate/Other segment. Overall, our second quarter results are a testament to the resilience and adaptability of our business model. We remain committed to our long-term strategy and to delivering sustainable value to our shareholders."

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Cliffs' full-year 2017 U.S. Iron Ore cash cost of goods sold and operating expense<sup>2</sup> expectation is unchanged at \$55 - \$60 per long ton.

**Asia Pacific Iron Ore Outlook** (Metric Tons, F.O.B. the port)

Cliffs' full-year 2017 Asia Pacific Iron Ore expected production volume is unchanged at approximately 11.5 million metric tons. Due to market conditions, sales volume outlook has been reduced by 500,000 metric tons to 11 million metric tons. The product mix is expected to contain 52 percent lump ore and 48 percent fines.

Based on a full-year average exchange rate of \$0.76 U.S. Dollar to Australian Dollar, Cliffs' full-year 2017 cash cost of goods sold and operating expense<sup>2</sup> expectation is unchanged at \$34 - \$39 per metric ton.

**SG&A Expenses and Other Expectations**

Cliffs increased its full-year SG&A expense expectation by \$10 million to \$110 million to incorporate HBI prefeasibility spend and higher-than-anticipated incentive compensation accruals. Cliffs also notes that of the \$110 the \$11 to

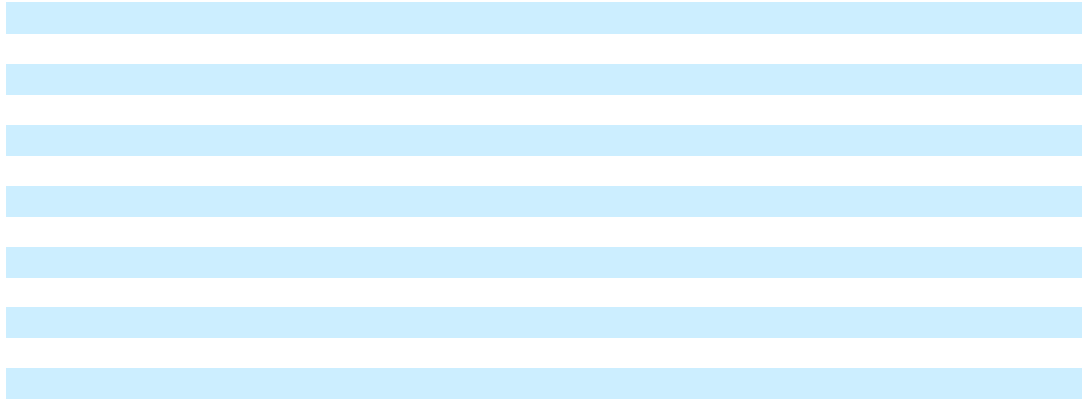
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environmental and capital stewardship, our employees endeavor to provide all stakeholders with operating and financial transparency.

## Forward-Looking Statements

This release contains statements that constitute "forward-looking statements" within it 34'

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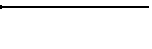
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