

**UNITED STATES  
Securities and Exchange Commission  
Washington D.C. 20549**

**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

**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
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**CLIFFS NATURAL RESOURCES INC.**

*(Name of Registrant as Specified In Its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

- No fee required.**
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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: \_\_\_\_\_

On July 14, 2014, Cliffs Natural Resources Inc. (the "Company") issued a letter to shareholders dated July 11, 2014 (the "Open Letter") to be mailed on or about July 14, 2014. A copy of the Open Letter is filed herewith as Exhibit 1.

Also on July 14, 2014, the Company issued a news release announcing the issuance of the Open Letter to shareholders. A copy of the news release is filed herewith as Exhibit 2.

Also on July 14, 2014, the Company sent a notice of annual meeting of shareholders to employees (the "Notice"). A copy of the Notice is filed herewith as Exhibit 3.

Also on July 14, 2014, the Company issued a brochure to retail shareholders to be mailed on or about July 14, 2014 (the "Shareholder Brochure"). A copy of the Shareholder Brochure is filed herewith as Exhibit 4.

Also on July 14, 2014, the Company issued a brochure to U.S. hourly employees to be mailed on or about July 16, 2014 (the "Employee Brochure"). A copy of the Employee Brochure is filed herewith as Exhibit 5.

Also on July 14, 2014, the Company updated various soliciting materials located at [www.cliffsnr.com/annualmeeting](http://www.cliffsnr.com/annualmeeting) (the "Website"). Copies of the updated materials posted to the Website are filed herewith as Exhibit 6.



July 11, 2014

Dear Fellow Cliffs Shareholder,

As our Annual Meeting approaches on July 29, we urge all Cliffs shareholders to protect the value of their investment by voting the **WHITE** proxy card today. As Casablanca Capital continues to campaign for what we believe is a short-term, value-destructive agenda, shareholders need to know the truth about Casablanca's purported "plan" and lack of experience to lead a commodity company through the trough of the cycle.

We believe that **Casablanca has a one-dimensional, short-term plan to conduct a fire-sale of Cliffs' assets in an industry-wide cyclical downturn**, which would be **value destructive for all Cliffs shareholders**.

Unlike Casablanca, Cliffs' Board and new management team have a **deep understanding of how commodity cycles work and how to position our assets to maximize value in a volatile pricing environment**. To that end, the Cliffs Board and new management team have been focused on key fundamentals, which Casablanca does not appear to understand and is ill-equipped to accomplish. Specifically, we are lowering the cost-structure of the business, optimizing our operating profile, strengthening our balance sheet, and enhancing our liquidity. By focusing on these priorities, Cliffs expects to emerge from the cyclical trough well positioned to capture value on the upside when its served markets recover.

**WE BELIEVE CASABLANCA'S STRATEGY IS ILLOGICAL AND WILL DESTROY LONG TERM VALUE, DEMONSTRATING ITS LACK OF UNDERSTANDING OF COMMODITY MARKETS**

Casablanca's central theme is a "fire sale" of Cliffs' assets at the bottom of the commodity cycle. Let there be no mistake: **selling assets for cents on the dollar in the trough will destroy value for Cliffs shareholders**. This is not surprising given the lack of mining industry experience in Casablanca's slate of nominees. Quick-fix financial engineering is not the answer. Casablanca's plan will not only compromise current value but will also sacrifice long-term value creation that will be forever lost when these commodity markets recover.

We urge investors to focus on what *really* matters – the strategy that will generate the most value for all Cliffs shareholders. Cliffs' Board and new management team have the experience to know that **the better course is to maintain a strong balance sheet and responsibly optimize the assets in our portfolio instead of disposing of them at the bottom of the market**. A strong financial position and solid operational focus during the low point of a commodity cycle is how to best **position Cliffs to ultimately realize the highest long-term value for these assets – whether assets are sold or further developed**. As experienced miners know, now is not the time to dump assets indiscriminately.

Under Gary Halverson's leadership, Cliffs has taken decisive action to halt development projects, idle loss-making mines at current iron ore and met coal prices, and optimize operations across our portfolio to **weather the current downturn and preserve value potential as markets recover**. Cliffs owns valuable mining operations that produce premium quality products and offer diversity in supplier source that our customers value. **Don't let Casablanca squander the opportunity to extract significant value from Cliffs' assets as markets recover**.

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We urge you not to allow Casablanca to take a majority of your Board and implement what we believe is an **irrational plan** championed by **inexperienced Board candidates**. **Now is not the time to hand over the majority of Cliffs' Board to an unproven activist investor**. We believe that Casablanca's notion of "fixing" Cliffs is ill-conceived and short-sighted, driven by their self-serving agenda.

**CLIFFS' BOARD AND MANAGEMENT TEAM IS IMPLEMENTING THE RIGHT STRATEGY TO POSITION THE COMPANY TO GENERATE SHAREHOLDER VALUE IN THE RECOVERY**

Prudent and experienced leaders of mining companies understand how to protect their assets in today's environment. As evidence of this experience, the Cliffs team has already:

- Reduced capital expenditures by 65% since 2013;
- Cut operating costs at every business segment through the rigorous implementation of operating discipline and improved processes to keep assets producing cash in the trough;
- Halted development of the chromite project, idled our Wabush mine, announced our intention to temporarily idle our Pinnacle mine in late August 2014, and delayed Phase II expansion of Bloom Lake; and
- Strengthened our balance sheet by amending our revolving credit facility to retain access to this important source of liquidity in today's volatile commodity price environment.

**VOTE THE WHITE PROXY CARD TODAY**

Your vote is extremely important, no matter how many or how few shares you own. Remember: By voting "**FOR ALL**" of Cliffs' nominees, you are voting for a Board comprised of new independent directors clearly aligned with shareholder interests:

- **More than half of directors elected in 2013 or later.**
- **At least two of our directors will have been nominated directly by our shareholders.**
- **Other than our CEO Gary Halverson, all directors will be independent.**
- Each director has **critical and relevant industry experience.**
- Board leadership will be provided by a **different Chairman** to be elected by the **new Board** following the completion of the Annual Meeting.

For these reasons, and others, your Board encourages you to vote the enclosed **WHITE** proxy card "**FOR ALL**" of Cliffs' nine highly qualified and experienced nominees: Gary B. Halverson, Barry J. Eldridge, Mark E. Gaumont, Susan M. Green, Janice K. Henry, Stephen M. Johnson, James F. Kirsch, Richard K. Riederer and Timothy W. Sullivan.

If you have any questions on cumulative voting or need assistance voting your shares, please contact D.F. King & Co., Inc., which is assisting us in connection with this year's Annual Meeting, at (800) 487-4870.

On behalf of the Board, we thank you for your continued support of Cliffs.

Sincerely,

Cliffs' Board of Directors

## Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; a currently pending proxy contest and any other actions of activist shareholders; 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 successfully identify and consummate any strategic investments and complete planned divestitures; 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 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 any modifications to sales contract provisions; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; 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; the results of prefeasibility and feasibility studies in relation to 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; our ability to cost-effectively achieve planned production rates or levels; 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; availability of capital equipment and component parts; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission (the "SEC"). The information contained herein speaks as of the date of this letter 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 letter.

### **Important Additional Information**

Cliffs, its directors and certain of its executive officers are 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 filed a definitive proxy statement with the SEC on June 10, 2014 in connection with any such solicitation of proxies from Cliffs' shareholders. **CLIFFS' SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY 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 participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the definitive 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, as amended and filed with the SEC on April 30, 2014, and Cliffs' definitive proxy statement on Schedule 14A, filed with the SEC on June 10, 2014. Shareholders will be able to obtain the proxy statement, any amendments or supplements to the definitive proxy statement and other documents filed by Cliffs with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at Cliffs' website at [www.cliffsnr.com](http://www.cliffsnr.com) or by contacting James Graham, Vice President, Chief Legal Officer & Secretary at (216) 694-5504. 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](mailto:cliffs@dfking.com).

FOR IMMEDIATE RELEASE

**NEWS RELEASE****CLIFFS NATURAL RESOURCES INC. MAILS OPEN LETTER TO SHAREHOLDERS**

*Casablanca's Plan to Sell Assets at Trough of Pricing  
Cycle Will Destroy Shareholder Value*

*Cliffs' Nominees Have Right Experience and Right Strategy to Preserve Value of  
Cliffs' Assets in Volatile Commodity Cycle*

*Recommends Shareholders Vote WHITE Proxy Card Today*

**CLEVELAND – July 14, 2014** – Cliffs Natural Resources Inc. (NYSE: CLF) today issued the following letter to shareholders in connection with its upcoming 2014 Annual Meeting of Shareholders:

Dear Fellow Cliffs Shareholder,

As our Annual Meeting approaches on July 29, we urge all Cliffs shareholders to protect the value of their investment by voting the **WHITE** proxy card today. As Casablanca Capital continues to campaign for what we believe is a short-term, value-destructive agenda, shareholders need to know the truth about Casablanca's purported "plan" and lack of experience to lead a commodity company through the trough of the cycle.

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industry experience in Casablanca's slate of nominees. Quick-fix financial engineering is not the answer. Casablanca's plan will not only compromise current value but will also sacrifice long-term value creation that will be forever lost when these commodity markets recover.

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If you have any questions on cumulative voting or need assistance voting your shares, please contact D.F. King & Co., Inc., which is assisting us in connection with this year's Annual Meeting, at (800) 487-4870.

On behalf of the Board, we thank you for your continued support of Cliffs.

Sincerely,

Cliffs' Board of Directors

J.P. Morgan and Bank of America Merrill Lynch are acting as financial advisors to the Company and Wachtell, Lipton, Rosen & Katz and Jones Day are acting as legal counsel.

#### **About Cliffs Natural Resources Inc.**

Cliffs Natural Resources Inc. is an international mining and natural resources company. The Company is a major global iron ore producer and a significant producer of high-and low-volatile metallurgical coal. Cliffs' strategy is to continually achieve greater scale and diversification in the mining industry through a focus on serving the world's largest and fastest growing steel markets. Driven by the core values of social, environmental and capital stewardship, Cliffs associates across the globe endeavor to provide all stakeholders operating and financial transparency.

The Company is organized through a global commercial group responsible for sales and delivery of Cliffs' products and a global operations group responsible for the production of the minerals the Company markets. Cliffs operates iron ore and coal mines in North America and an iron ore mining complex in Western Australia.

News releases and other information on the Company are available on the Internet at: <http://www.cliffsnaturalresources.com>

Follow Cliffs on Twitter at: <http://twitter.com/CliffsNR>.

### **Forward-Looking Statements**

This letter contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; a currently pending proxy contest and any other actions of activist shareholders; 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 successfully identify and consummate any strategic investments and complete planned divestitures; 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 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 any modifications to sales contract provisions; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; 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; the results of prefeasibility and feasibility studies in relation to 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; our ability to cost-effectively achieve planned production rates or levels; 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; availability of capital equipment and component parts; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission (the "SEC"). The information contained herein speaks as of the date of this letter 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 letter.

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**Contacts:**

**Investors**

Jessica Moran  
Director, Investor Relations  
(216) 694-6532

Jordan Kovler  
D.F. King & Co., Inc.  
(212) 493-6990

**Media**

Patricia Persico  
Director, Global Communications  
(216) 694-5316

Joele Frank, Meaghan Repko or Andrea Rose  
Joele Frank, Wilkinson Brimmer Katcher  
(212) 355-4449



Cliffs Corporate Announcement  
All Salaried Employees

**Message from James Graham**  
**Notice of Annual Meeting of Shareholders**

Cliffs will be holding its Annual General Meeting of Shareholders on Tuesday, July 29, 2014. If you are a shareholder of the Company's common shares and/or mandatory convertible preferred stock, you are entitled to vote. If your shares are held through a personal account with a broker, bank, depository, trustee or other nominee, most likely you have been contacted by them or by D.F. King & Co., Inc., our proxy voting administrator, regarding your vote. If you are a shareholder in your own name then you should have received proxy materials and WHITE proxy card directly with instructions on how to vote your shares. This information will contain your control number, which you will need to vote online or by telephone.

Shareholders as of the record date owning shares in their own name (June 2, 2014) are entitled to vote by:

- Internet at [www.firstcoastresults.com/cliffs](http://www.firstcoastresults.com/cliffs)
- Telephone at 800-223-9672
- Mailing their completed WHITE proxy card in the prepaid and addressed envelope provided
- Attending the 2014 Annual General Meeting in person

Shareholders as of the record date owning shares through a bank, broker, depository or other nominee (June 2, 2014) are entitled to vote by:

- Internet at [www.proxyvote.com](http://www.proxyvote.com)
- Telephone at 800-454-8683
- Mailing their completed WHITE voting instruction form in the prepaid and addressed envelope provided
- Requesting a legal proxy from their bank, broker, depository or other nominee and attending the 2014 Annual Meeting in person

We urge you to read the Proxy Statement and give each of the proposals set forth therein your careful attention. Your vote is very important to Cliffs and to our business, regardless of the number of shares you own. We encourage you to promptly submit your vote on the WHITE proxy card by **July 28, 2014** to ensure that your shares will be represented at the 2014 Annual General Meeting. We strongly urge you not to sign or return any gold proxy card sent to you by or on behalf of Casablanca. Visit the Annual General Meeting section on the Cliffs Natural Resources website for proxy information, <http://www.cliffsnr.com/annualmeeting>. Visit this site also to view [Frequently Asked Questions](#) about the meeting and voting.

If you have not received your WHITE proxy card or voting instruction form and control number, please contact your bank, broker, depository or other nominee. If you have any questions or need assistance voting, please contact our proxy voting administrator, D.F. King & Co. Inc., toll free at (800) 487-4870 or email at [cliffs@dfking.com](mailto:cliffs@dfking.com)

Sincerely,

**James Graham**  
Vice President, Chief Legal Officer & Secretary

**Important Additional Information**

Cliffs, its directors and certain of its executive officers are 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 filed a definitive proxy statement with the SEC on June 10, 2014 in connection with any such solicitation of proxies from Cliffs' shareholders. **CLIFFS' SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY 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 participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the definitive 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, as amended and filed with the SEC on April 30, 2014, and Cliffs' definitive proxy statement on Schedule 14A, filed with the SEC on June 10, 2014. Shareholders will be able to obtain the proxy statement, any amendments or supplements to the definitive proxy statement and other documents filed by Cliffs with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at Cliffs' website at [www.cliffsnr.com](http://www.cliffsnr.com) or by contacting James Graham, Vice President, Chief Legal Officer & Secretary at (216) 694-5504. 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](mailto:cliffs@dfking.com).



# YOUR CHOICE IS CLEAR

PROTECT YOUR INVESTMENT. VOTE FOR YOUR  
BOARD'S NOMINEES ON THE **WHITE**  
PROXY CARD TODAY.



- Gary B. Halverson
- Barry J. Eldridge
- Mark E. Gaumont
- Susan M. Green
- Janice K. Henry
- James F. Kirsch
- Stephen Johnson
- Richard K. Riederer
- Timothy W. Sullivan

We urge you to protect your investment and not risk Cliffs Natural Resources Inc.'s future and prospects by exposing Cliffs to Casablanca Capital and their nominees.

SUPPORT YOUR BOARD AND MANAGEMENT BY  
SIGNING, DATING AND RETURNING THE ENCLOSED  
**WHITE PROXY CARD TODAY.**

**YOUR VOTE IS IMPORTANT, NO MATTER  
HOW MANY OR HOW FEW  
SHARES YOU OWN.**

**D.F. KING & CO., INC.**  
If Shareholders Have Questions Call Toll-Free: 800.487.4870



The Cliffs Board and new management team **COMBINES DEEP EXPERIENCE WITH FRESH PERSPECTIVE.**

We know how to navigate tough commodity cycles, and we have taken **DECISIVE ACTION TO PRESERVE THE SIGNIFICANT UPSIDE POTENTIAL** of Cliffs' assets as iron ore and met coal prices recover from their very low levels.

- ✓ **CUTTING COSTS:** Reduced SG&A and Exploration costs by 31% from 2013 levels
- ✓ **STREAMLINING OPERATIONS:** Process improvements and overhead reductions across all business segments
- ✓ **REDUCING CAPITAL EXPENDITURES:** Lowered capital spending by 65% year-over-year
- ✓ **IDLING UNPROFITABLE OPERATIONS:** Halted development of the chromite project, idled our Wabush mine, announced our intention to temporarily idle our Pinnacle mine in late August 2014 and delayed Phase II expansion of Bloom Lake
- ✓ **INCREASING FINANCIAL FLEXIBILITY:** Received unanimous support to amend credit facility & currently have over \$1.9 billion in liquidity available, as of 03/31/2014
- ✓ **STRATEGIC ALTERNATIVES FOR BLOOM LAKE:** Considering full range of alternatives

In contrast, Casablanca Capital is seeking a majority of your Board to enact a **self-interested, value-destructive plan:**

- ✗ **A one-dimensional, short-term plan to conduct A FIRE-SALE OF CLIFFS' ASSETS IN AN INDUSTRY-WIDE CYCLICAL DOWNTURN**
- ✗ **Does NOT HAVE THE RELEVANT MINING OR COMMODITY EXPERIENCE to run a Company as large or complex as Cliffs**
- ✗ **As experienced miners know, THIS IS NOT THE TIME TO DUMP ASSETS INDISCRIMINATELY**

Do not let Casablanca take a majority of your Board and squander the significant future value Cliffs holds in the ground. ***Selling Cliffs' high-quality assets in today's met coal and iron ore pricing environment is highly value-destructive!***

PROTECT THE VALUE OF YOUR INVESTMENT BY VOTING  
THE **WHITE** CARD

Remember: By voting “**FOR ALL**” of Cliffs’ nominees, you are voting for a Board with these features:

- **More than half of directors elected in 2013 or later.**
- **At least two directors that will have been nominated directly by Cliffs’ shareholders.**
- **Other than CEO Gary Halverson, all directors will be independent.**
- **Each director has [CRITICAL AND RELEVANT INDUSTRY EXPERIENCE](#).**
- **Board leadership will be provided by [A DIFFERENT CHAIRMAN](#) to be elected by the [NEW BOARD](#) following the completion of the Annual General Meeting.**



For additional information please visit [www.cliffsnr.com/annualmeeting](http://www.cliffsnr.com/annualmeeting)



## FORWARD-LOOKING STATEMENTS

This letter contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; a currently pending proxy contest and any other actions of activist shareholders; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission (the "SEC"). The information contained herein speaks as of the date of this letter 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 letter.

## IMPORTANT ADDITIONAL INFORMATION

Cliffs, its directors and certain of its executive officers are 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 filed a definitive proxy statement with the SEC on June 10, 2014 in connection with any such solicitation of proxies from Cliffs' shareholders. **CLIFFS' SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY 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 participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the definitive 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, as amended and filed with the SEC on April 30, 2014, and Cliffs' definitive proxy statement on Schedule 14A, filed with the SEC on June 10, 2014. Shareholders will be able to obtain the proxy statement, any amendments or supplements to the definitive proxy statement and other documents filed by Cliffs with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at Cliffs' website at [www.cliffsnr.com](http://www.cliffsnr.com) or by contacting James Graham, Vice President, Chief Legal Officer & Secretary at (216) 694-5504. 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](mailto:cliffs@dfking.com).



# YOUR CHOICE IS CLEAR

PROTECT YOUR INVESTMENT. VOTE FOR YOUR BOARD'S  
NOMINEES ON THE **WHITE** PROXY CARD TODAY.

---



- Gary B. Halverson
  - Barry J. Eldridge
  - Mark E. Gaumont
  - Susan M. Green
  - Janice K. Henry
  - James F. Kirsch
  - Stephen Johnson
  - Richard K. Riederer
  - Timothy W. Sullivan
- 

We urge you to protect your investment and not risk Cliffs Natural Resources Inc.'s future and prospects by handing over the majority of Cliffs' Board to Casablanca Capital, an unproven activist investor.

SUPPORT YOUR BOARD AND MANAGEMENT BY SIGNING, DATING AND  
RETURNING THE ENCLOSED **WHITE PROXY CARD** TODAY.

**YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR  
HOW FEW SHARES YOU OWN.**

If you have questions on cumulative voting or need assistance voting your shares, please contact the firm assisting us in the solicitation of proxies:

**D.F. KING & CO., INC.**  
Shareholders Call Toll-Free: 800.487.4870



July 14, 2014

Dear Colleague,

Cliffs is recommending that our shareholders elect our nine highly qualified and experienced director nominees at our July 29 Annual Meeting. Over the last two weeks, we have issued several letters to shareholders, in addition to the information in this brochure, which we thought would be helpful for you to review. All materials also are on our website, and you can read them at [www.cliffsnr.com/annualmeeting](http://www.cliffsnr.com/annualmeeting).

In these communications, we are highlighting the steps our Board and management team are taking to manage Cliffs through a volatile pricing environment. We are strengthening our balance sheet with cash flows from operations, reducing capital expenditures, refocusing and strengthening our core US business, and optimizing the assets in our portfolio.

We are also making the case to shareholders as to why we believe Casablanca has a short-term, value-destructive plan, including a fire-sale of Cliffs' assets in an industry-wide cyclical downturn.

Many of you have asked what you can do to help. For employees who are also Cliffs' shareholders, we recommend you vote **"FOR ALL"** of Cliffs' nine director nominees on the WHITE proxy card today, and reject Casablanca's nominees by declining to vote for them and discarding any gold proxy card you receive.

Of course, the most important thing you can do is to stay focused on the business and serving our customers. We have weathered tough cycles before, and together, we will emerge a stronger company as iron ore prices improve.

As always if you receive any calls from the media, analysts or other outside parties, please forward them to Jessica Moran, Director, Investor Relations at (216) 694-6532 or Pat Persico, Director, Global Communications at (216) 694-5316, who will respond on the Company's behalf.

Again, thank you for your continued dedication and commitment to our Company.

Sincerely,

A handwritten signature in black ink that reads "Gary B. Halverson".

**Gary B. Halverson**  
President and Chief Executive Officer



The Cliffs Board and management team **COMBINES DEEP EXPERIENCE WITH FRESH PERSPECTIVE**. We know how to navigate tough commodity cycles, and we have taken **DECISIVE ACTION TO PRESERVE THE SIGNIFICANT UPSIDE POTENTIAL** of Cliffs' assets as iron ore and met coal prices recover from their very low levels.

- ✓ **CUTTING COSTS:** Reduced SG&A and Exploration costs by 31% from 2013 levels
- ✓ **STREAMLINING OPERATIONS:** Process improvements and overhead reductions across all business segments
- ✓ **REDUCING CAPITAL EXPENDITURES:** Lowered capital spending by 65% year-over-year
- ✓ **IDLING UNPROFITABLE OPERATIONS:** Halted development of the chromite project, idled our Wabush mine, announced our intention to temporarily idle our Pinnacle mine in late August 2014 and delayed Phase II expansion of Bloom Lake
- ✓ **INCREASING FINANCIAL FLEXIBILITY:** Received unanimous support to amend credit facility & currently have over \$1.9 billion in liquidity available, as of 03/31/2014
- ✓ **STRATEGIC ALTERNATIVES FOR BLOOM LAKE:** Considering full range of alternatives

In contrast, Casablanca Capital is seeking a majority of your Board to enact a **self-interested, value-destructive plan**:

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- ✗ Does **NOT HAVE THE RELEVANT MINING OR COMMODITY EXPERIENCE** to run a Company as large or complex as Cliffs
- ✗ As experienced miners know, **THIS IS NOT THE TIME TO DUMP ASSETS INDISCRIMINATELY**

Do not let Casablanca take a majority of your Board and squander the significant future value Cliffs holds in the ground. ***Selling Cliffs' high-quality assets in today's met coal and iron ore pricing environment is highly value-destructive!***

### PROTECT THE VALUE OF YOUR INVESTMENT BY VOTING THE **WHITE CARD**

Remember: By voting **"FOR ALL"** of Cliffs' nominees, you are voting for a Board with these features:

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- **Each director has CRITICAL AND RELEVANT INDUSTRY EXPERIENCE.**
- **Board leadership will be provided by A DIFFERENT CHAIRMAN to be elected by the NEW BOARD following the completion of the Annual Meeting.**

## FORWARD-LOOKING STATEMENTS


This letter contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; a currently pending proxy contest and any other actions of activist shareholders; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission (the "SEC"). The information contained herein speaks as of the date of this letter 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 letter.

## IMPORTANT ADDITIONAL INFORMATION


Cliffs, its directors and certain of its executive officers are 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 filed a definitive proxy statement with the SEC on June 10, 2014 in connection with any such solicitation of proxies from Cliffs' shareholders. CLIFFS' SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY 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 participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the definitive 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, as amended and filed with the SEC on April 30, 2014, and Cliffs' definitive proxy statement on Schedule 14A, filed with the SEC on June 10, 2014. Shareholders will be able to obtain the proxy statement, any amendments or supplements to the definitive proxy statement and other documents filed by Cliffs with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at Cliffs' website at [www.cliffsnr.com](http://www.cliffsnr.com) or by contacting James Graham, Vice President, Chief Legal Officer & Secretary at (216) 694-5504. 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](mailto:cliffs@dfking.com).



For additional information please visit [www.cliffsnr.com/annualmeeting](http://www.cliffsnr.com/annualmeeting)


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Cliffs Natural Resources > Home > Annual Meeting > Your Vote > Voting Process

## Voting Process

Answers to commonly-asked questions about the voting process at the upcoming Annual Meeting are listed below. This information is referenced from [Cliffs Natural Resources Inc. – 2014 Proxy Statement](#).

1. Why haven't I received any of my proxy materials?
2. Can I attend the Annual General Meeting in person?
3. What proposals are to be presented at the meeting?
4. Why is the Board of Directors nominating a slate of nine directors for the available 11 seats at the 2014 Annual Meeting?
5. Who is soliciting my vote?
6. How does the Cliffs Board recommend that I vote?
7. What are the possible effects if all six of Casablanca's nominees are elected to the Cliffs Board of Directors?
8. What is the difference between a "shareholder of record" and a "beneficial owner"?
9. What information will be sent to shareholders?
10. Who is entitled to vote at the meeting?
11. How do I vote?
12. Has Cliffs been notified that a shareholder intends to propose its own director nominees at the meeting in opposition to the Board of Directors' nominees?
13. What should I do if I receive a gold proxy card from Casablanca?
14. What can I do if I change my mind after I vote?

15. What vote is required to approve each proposal?

### 1. Why haven't I received any of my proxy materials?

The following are the most common reasons why you have not received proxy materials:

- Email delivery of proxy materials has not been provided because of the annual meeting being contested
- Your mailing address is different from the address on file with the company's transfer agent or the broker, bank, depository, trustee or other nominee that holds your shares
- Your proxy materials have been sent directly to your broker, bank, depository, trustee or other nominee that holds your shares

If you have not received your proxy materials and would like to vote, please contact D.F. King & Co., Inc., Cliffs' proxy solicitor, toll-free at (800) 487-4870 or by email at [cliffs@dfking.com](mailto:cliffs@dfking.com)

### 2. Can I attend the Annual General Meeting in person?

All shareholders can attend the Annual General Meeting in person. If your shares are held through a broker, bank, depository, trustee or other nominee, you will need to provide a recent account statement or other proof of ownership. If you would like to verify that you have the proper proof of ownership, please contact D.F. King & Co., Inc., Cliffs' proxy solicitor, toll-free at (800) 487-4870 or by email at [cliffs@dfking.com](mailto:cliffs@dfking.com)

### 3. What proposals are to be presented at the meeting?

The purpose of the meeting is to: (1) elect 11 directors; (2) consider the proposal to approve the 2014 Nonemployee Directors' Compensation Plan; (3) consider the proposal to approve, on an advisory basis, Cliffs' named executive officers' compensation; (4) consider the proposal to approve the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan; (5) consider the proposal to ratify the appointment of Deloitte & Touche LLP as Cliffs' independent registered public accounting firm to serve for the 2014 fiscal year; and (6) conduct such other business as may properly come before the meeting.

### 4. Why is the Board of Directors nominating a slate of nine directors for the available 11 seats at the 2014 Annual Meeting?

The Board has nominated a slate of nine directors for the available 11 seats at the 2014 Annual Meeting and is soliciting proxies for only the nine nominees named herein. If cumulative voting rights are in effect for the election of directors, allocating 11 votes among the nine director nominees named herein will ensure that the maximum number of such nominees are elected at the 2014 Annual Meeting.

Based on its discussions with various shareholders and the practical effect of cumulative voting on the election of directors, the Board of Directors currently believes that it is in the best interest of all Cliffs shareholders for the Board of Directors to nominate a slate of nine directors. The Cliffs Board does not currently intend to nominate Susan M. Cunningham or Andrés R. Gluski for re-election as a director of Cliffs at the 2014 Annual Meeting, and does not currently intend to nominate replacement candidates. Because the Board of Directors has nominated a slate of nine directors for the available 11 seats at the 2014 Annual Meeting of Shareholders, we expect that two nominees that were not nominated by Cliffs will be elected at the 2014 Annual Meeting. At this time, Casablanca Capital LP, a Delaware limited partnership (together with its affiliates, "Casablanca"), is the only shareholder that has notified Cliffs of its intention to nominate directors for election at the 2014 Annual Meeting. Therefore, the Board of Directors expects that the remaining two board seats will be filled by two of the Casablanca nominees. Please refer to the section below captioned "Election of Directors" for additional information.

### 5. Who is soliciting my vote?

In this proxy statement, the Board of Directors of Cliffs is soliciting your vote for matters being submitted for shareholder approval at the 2014 Annual Meeting. Giving us your proxy means that you authorize the proxy holders identified on the **WHITE** proxy card to vote your shares at the meeting in the manner you direct. You may vote for all, some or none of our director nominees. You also may abstain from voting. If you sign and return the enclosed **WHITE** proxy card but do not specify how your shares are to be voted, your shares will be voted in accordance with the recommendation of the Cliffs Board, including in favor of Cliffs' nominees for election to the Board. If any other matters are properly presented at the 2014 Annual Meeting for consideration, the persons named as proxies in the enclosed **WHITE** proxy card will vote as recommended by the Cliffs Board or, if no recommendation is given, in their own discretion.

### 6. How does the Cliffs Board recommend that I vote?

The Cliffs Board of Directors unanimously recommends that you vote using the **WHITE** proxy card:

- FOR ALL of the nine individuals nominated by the Cliffs Board for election as directors. The Cliffs Board unanimously recommends that you NOT vote for any members of the Casablanca slate of nominees;
- FOR the approval of the 2014 Nonemployee Directors' Compensation Plan;
- FOR the approval, on an advisory basis, of Cliffs' named executive officers' compensation;
- FOR the approval of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan; and
- FOR the ratification of the appointment of Deloitte & Touche LLP as Cliffs' independent registered public accounting firm to serve for the 2014 fiscal year.

**7. What are the possible effects if all six of Casablanca's nominees are elected to the Cliffs Board of Directors?**

Pursuant to the indenture governing Cliffs' outstanding senior notes, Cliffs is required to offer to repurchase its outstanding notes if it experiences a "change of control" and corresponding ratings downgrade below investment grade. Under the indenture governing Cliffs' outstanding senior notes, a "change of control" occurs on the first day on which a majority of the members of Cliffs Board of Directors are not "continuing directors." A "continuing director" is a member of Cliffs Board of Directors who (a) was a member of Cliffs Board of Directors on the date of the issuance of the notes, or (b) was nominated for election, elected or appointed to Cliffs Board of Directors with the approval of a majority of the "continuing directors" who were members of Cliffs Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of a proxy statement in which such member was named as a nominee for election as a director). Pursuant to the indenture governing Cliffs' outstanding senior notes, the corresponding ratings downgrade below investment grade will only occur if each rating agency making the reduction in rating publicly announces (or confirms or informs the trustee of the notes at Cliffs' request) that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the "change of control." The Cliffs Board will consider whether Casablanca's nominees should be approved for purposes of its senior notes indenture in due course should Casablanca continue to seek to nominate a majority of the directors to the Cliffs Board. The Cliffs Board's review will include, among other things, Casablanca's definitive proxy statement when it becomes available. If the Cliffs Board determines to approve Casablanca's nominees, this would have the effect of making Casablanca's nominees "continuing directors" under the senior notes indenture, which, in turn, would mean that their election to the Board would not trigger the change of control clause in the indenture.

Under the terms of the Participant Long-Term Incentive Grant Agreements entered into prior to September 2013, Cliffs' award recipients are entitled to certain benefits upon the occurrence of a "change in control," regardless of whether the employment of the award recipient is terminated. Effective September 2013 upon a "change in control," all future equity granted to participants will be subject to potential assumption, replacement or continuation of the award in certain circumstances in lieu of immediately vesting and payout (or immediate vesting and payout if such assumed, replaced or continued awards are not provided). For this purpose, a "change in control" generally occurs if a majority of members of the Cliffs Board of Directors is replaced by directors whose appointment or election is not endorsed by a majority of the Cliffs Board of Directors prior to the date of the appointment or election. Please refer to the section below captioned "Potential Payments Upon Termination or Change in Control - Additional

Payments Upon Change in Control (Without Termination)" for additional information regarding this impact on Cliffs' named executive officers (or NEOs).

**8. What is the difference between a "shareholder of record" and a "beneficial owner"?**

These terms describe the manner in which your shares are held. If your shares are registered directly in your name through Wells Fargo Shareowner Services, our transfer agent, you are a "shareholder of record" or registered holder. If your shares are held through a bank, broker, nominee or other shareholder of record, you are considered the "beneficial owner" of those shares.

**9. What information will be sent to shareholders?**

This proxy statement, the accompanying **WHITE** proxy card and our 2013 Annual Report will be mailed on or about June 10, 2014 to our shareholders of record as of June 2, 2014, which we refer to as the Record Date.

**10. Who is entitled to vote at the meeting?**

The Record Date for this meeting is June 2, 2014. On that date, we had outstanding 153,181,241 common shares, \$0.125 par value, and 731,223 shares of our 7.00% Series A mandatory convertible preferred stock, Class A, no par value, which we refer to as our mandatory convertible preferred stock, which are represented by 29,248,925 depositary shares (each of which represents 1/40 th of a share of our mandatory convertible preferred stock). All common shareholders and mandatory convertible preferred stock, shareholders are entitled to vote.

Because each depositary share represents a 1/40th interest in a share of the mandatory convertible preferred stock, holders of depositary shares are entitled to the equivalent of 1/40th of a vote of a share of our mandatory convertible preferred stock per depositary share. Wells Fargo Bank, N.A. acts as the bank depositary with respect to the depositary shares. The bank depositary will provide the notice of the 2014 Annual Meeting to the record holders of the depositary shares. Each record holder of depositary shares on the Record Date may instruct the bank depositary as to how to vote the amount of our mandatory convertible preferred stock represented by such holder's depositary shares in accordance with these instructions. The bank depositary will endeavor, insofar as practicable, to vote the amount of our mandatory convertible preferred stock represented by such depositary shares in accordance with these instructions. The bank depositary will abstain from voting shares of our mandatory convertible preferred stock to the extent it does not receive specific instructions from the holders of depositary shares.



## 11. How do I vote?

You may vote using any of the following methods:

### Shareholders of Record

If your shares are registered in your name, you may vote in person or by proxy. If you decide to vote by proxy, you may do so over the Internet, by telephone or by mail.

- Over the Internet. After reading the proxy materials and with your **WHITE** proxy card in front of you, you may use a computer to access the website [www.firstcoastresults.com/cliffs](http://www.firstcoastresults.com/cliffs). You will be prompted to enter your control number from your **WHITE** proxy card. This number will identify you as a shareholder of record. Follow the simple instructions that will be given to you to record your vote.
- By telephone. After reading the proxy materials and with your **WHITE** proxy card in front of you, you may call (800) 223-9672 using a touch-tone telephone. You will be prompted to enter your control number from your **WHITE** proxy card. This number will identify you as a shareholder of record. Follow the simple instructions that will be given to you to record your vote.
- By mail. If you received a paper copy of the **WHITE** proxy card by mail, after reading the proxy materials, you may sign, date and mark your **WHITE** proxy card and return it in the prepaid and addressed envelope provided.
- The Internet and telephone voting procedures have been setup for your convenience and have been designed to authenticate your identity, allow you to submit voting instructions and confirm that those instructions have been recorded properly.

### Shares Held by Bank or Broker

If your shares are held by a bank, broker, depository, trustee, nominee or other shareholder of record, that entity will provide separate voting instructions.

If your shares are held in the name of a brokerage firm, and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to a proposal that is not a routine matter, the brokerage firm cannot vote the shares on that proposal. This is referred to as a "broker non-vote." Brokerage firms have the authority under applicable rules to vote shares for which their customers do not provide voting instructions only on certain "routine" matters. As a result of Casablanca's

stated intention to nominate alternative director nominees, there will be no "routine" matters at the Annual Meeting for any broker accounts that are provided with proxy materials. **WE STRONGLY ENCOURAGE YOU TO PROVIDE VOTING INSTRUCTIONS TO YOUR BROKER SO THAT YOUR VOTE WILL BE COUNTED.**

If you have questions or need assistance voting your shares, please contact our proxy solicitor, D.F. King & Co., Inc. by any of the methods below:

D.F. King & Co., Inc.  
Mail: 48 Wall Street, 22nd Floor, New York, NY 10038  
Phone: Toll Free (800) 487-4870  
Collect (212) 269-5550  
Email: [cliffs@dfking.com](mailto:cliffs@dfking.com)

## 12. Has Cliffs been notified that a shareholder intends to propose its own director nominees at the meeting in opposition to the Board of Directors' nominees?

Yes. Casablanca has notified Cliffs that it intends to nominate six nominees for election as directors at the 2014 Annual Meeting in opposition to the Cliffs Board's recommended nine nominees. The Cliffs Board unanimously recommends that you vote **FOR ALL** of the nine director nominees recommended by the Cliffs Board by using the enclosed **WHITE** proxy card accompanying these proxy materials. The Cliffs Board strongly urges you not to sign or return any proxy card sent to you by or on behalf of Casablanca.

Casablanca's nominees have not been endorsed by the Board. Cliffs is not responsible for the accuracy of any information provided by or relating to Casablanca contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Casablanca or any other statements that Casablanca may otherwise make.

**13. What should I do if I receive a gold proxy card from Casablanca?**

The Board urges you **NOT** to sign or return any gold proxy card sent to you by or on behalf of Casablanca. Voting against Casablanca's nominees on its proxy card is not the same as voting for the Cliffs Board's nominees, because a vote against Casablanca's nominees on its proxy card will revoke any previous proxy card submitted by you. If you have voted previously using the gold proxy card sent to you by or on behalf of Casablanca, you can change your vote by executing the **WHITE** proxy card or by voting by telephone or Internet by following the instructions shown on the **WHITE** proxy card. Only the latest dated proxy you submit will be counted. If you have any questions or need assistance voting, please contact our proxy solicitor, D.F. King & Co. Inc., toll free at (800) 487-4870, call collect at (212) 269-5550 or email at [cliffs@dfking.com](mailto:cliffs@dfking.com).

Because the Board has nominated a slate of nine directors for the available 11 seats at the 2014 Annual Meeting, two nominees that were not nominated by Cliffs will be elected at the 2014 Annual Meeting. At this time, Casablanca is the only shareholder that has notified Cliffs of its intention to nominate directors for election at the 2014 Annual Meeting. Therefore, the Board expects that the remaining two board seats will be filled by two of the Casablanca nominees. Even if you vote **FOR ALL** of our nine Director nominees on the **WHITE** proxy card, we expect that at least two nominees that are nominated by Casablanca and/or another shareholder will be elected as directors at the 2014 Annual Meeting.

**14. What can I do if I change my mind after I vote?**

You may revoke your proxy at any time before the vote by (i) executing and submitting a revised proxy; (ii) providing a written revocation to the Secretary of Cliffs; or (iii) voting in person at the meeting. If you do not hold your shares directly, you should follow the instructions provided by your broker, bank or nominee to revoke your previously voted proxy. Only your latest dated proxy will count.

**15. What vote is required to approve each proposal?**

Each common share entitles its owner to one vote except with respect to the election of directors under cumulative voting. With respect to the election of directors under cumulative voting, each shareholder has the right to vote in person or by proxy the number of shares registered in his or her name for as many persons as there are directors to be elected, or to cumulate such votes and give one candidate as many votes as shall equal the number of directors to be elected multiplied by the number of his or her shares, or to distribute the votes so cumulated among as many candidates as he or she may desire. Although the Board has nominated a slate of nine directors for the available 11 seats at the 2014 Annual Meeting, each shareholder of Cliffs common stock will still have 11 votes per share with respect to the election of directors.

With respect to **Proposal 1**, the 11 nominees receiving a plurality vote of the shares will be elected. In the event that cumulative voting is in effect, which we currently anticipate will be the case, the 11 nominees receiving the highest number of votes shall be elected. Because Casablanca has proposed six nominees for election at the 2014 Annual Meeting, the number of director nominees will exceed the number of directors to be elected, and, consequently, Cliffs' majority voting policy would not apply to this election. Otherwise, under our majority voting policy (adopted by the Cliffs Board) in an uncontested election, any director nominee that is elected by a plurality vote but fails to receive a majority of votes cast (which excludes abstentions and broker non-votes) is expected to tender his or her resignation, which resignation will be considered by the Governance and Nominating Committee and our Board.

With respect to **Proposal 2**, the approval of the 2014 Nonemployee Directors' Compensation Plan will pass with the affirmative vote of a majority of the shares present, in person or represented by proxy, at the 2014 Annual Meeting and entitled to vote on the proposal.

With respect to **Proposal 3**, the approval, on an advisory basis, of our named executive officers' compensation requires the affirmative vote of a majority of the shares present, in person or represented by proxy, at the 2014 Annual Meeting and entitled to vote on the proposal.

With respect to **Proposal 4**, approval of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan will pass with the affirmative vote of a majority of the shares present, in person or represented by proxy, at the 2014 Annual Meeting and entitled to vote on the proposal.

With respect to **Proposal 5**, the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for the 2014 fiscal year will pass with the affirmative vote of a majority of the shares present, in person or represented by proxy, at the 2014 Annual Meeting and entitled to vote on the proposal.



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## Shareholder Letters

Open Letter from July 14, 2014

Dear Fellow Cliffs Shareholder,

As our Annual Meeting approaches on July 29, we urge all Cliffs shareholders to protect the value of their investment by voting the WHITE proxy card today. As Casablanca Capital continues to campaign for what we believe is a short-term, value-destructive agenda, shareholders need to know the truth about Casablanca's purported "plan" and lack of experience to lead a commodity company through the trough of the cycle.

We believe that Casablanca has a one-dimensional, short-term plan to conduct a fire-sale of Cliffs' assets in an industry-wide cyclical downturn, which would be value destructive for all Cliffs shareholders.

Unlike Casablanca, Cliffs' Board and new management team have a deep understanding of how commodity cycles work and how to position our assets to maximize value in a volatile pricing environment. To that end, the Cliffs Board and new management team have been focused on key fundamentals, which Casablanca does not appear to understand and is ill-equipped to accomplish. Specifically, we are lowering the cost-structure of the business, optimizing our operating profile, strengthening our balance sheet, and enhancing our liquidity. By focusing on these priorities, Cliffs expects to emerge from the cyclical trough well positioned to capture value on the upside when its served markets recover ... [continue reading](#)

