TIME WARNER INC.
Form NO ACT
January 29, 2010

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Deferred tax assets:

Pensions

$
76.3

$
114.6

Postretirement benefits other than pensions

25.6

35.2

Alternative minimum tax credit carryforwards

—

251.2

Deferred income

24.2

44.5

Intangible assets

12.2

—

Financial instruments

—

71.3

Asset retirement obligations

9.9

22.3

Operating loss carryforwards

2,368.1

2,699.7

Property, plant and equipment and mineral rights

188.2

181.2

State and local

74.2

59.2

Lease liabilities

9.6

12.9

Other liabilities

100.4

108.3

Total deferred tax assets before valuation allowance

2,888.7

3,600.4

Deferred tax asset valuation allowance

(2,238.5
)

(3,334.8
)
Net deferred tax assets

650.2

265.6

Deferred tax liabilities:

Property, plant and equipment and mineral rights

(1.5
)

(34.0
)
Investment in ventures

(137.5
)

(203.1
)
Intangible assets

—

(1.0
)
Product inventories

(3.8
)

(3.4
)

Intercompany notes	(465.7)	—
Other assets	(41.7)	(24.1)
Total deferred tax liabilities	(650.2)	(265.6)
Net deferred tax assets (liabilities)	$ —	$ —

At December 31, 2017, we had no gross deferred tax asset related to U.S. AMT credits compared to $251.2 million at December 31, 2016. This deferred tax asset is now recorded as an income tax receivable as a result of the recently enacted income tax legislation allowing the credits to be refunded between the years 2019 through 2022.

We had gross domestic (including states) and foreign net operating loss carryforwards, inclusive of discontinued operations, of $4.2 billion and $7.2 billion, respectively, at December 31, 2017. We had gross domestic and foreign net operating loss carryforwards at December 31, 2016 of $3.7 billion and $6.9 billion, respectively. The U.S. Federal net operating losses will begin to expire in 2035 and state net operating losses will begin to expire in 2019. The foreign net operating losses can be carried forward indefinitely. We had foreign tax credit carryforwards of $5.8 million at December 31, 2017 and 2016. The foreign tax credit carryforwards will begin to expire in 2020.

We recorded a $1,096.3 million net decrease in the valuation allowance of certain deferred tax assets. Of this amount, a $465.7 million decrease relates to impairment income on Luxembourg intercompany notes, a $407.5 million decrease relates to the reversal of deferred tax assets due to the change in the U.S. and Luxembourg statutory rates, a $235.3 million decrease relates to the repeal of AMT as a result of U.S. income tax reform and the remainder relates to current year activity.

At December 31, 2017 and 2016, we had no cumulative undistributed earnings of foreign subsidiaries included in consolidated retained earnings. Accordingly, no provision has been made for U.S. deferred taxes related to future repatriation of earnings.

Table of Contents

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(In Millions)		
	2017	2016	2015
Unrecognized tax benefits balance as of January 1	$30.7	$156.2	$72.6
Increase (decrease) for tax positions in prior years	(2.8)	(61.0)	6.7
Increase for tax positions in current year	4.5	0.2	78.5
Decrease due to foreign exchange	—	—	—
Settlements	1.0	(64.7)	(1.1)
Lapses in statutes of limitations	—	—	(0.5)
Other	0.1	—	—
Unrecognized tax benefits balance as of December 31	$33.5	$30.7	$156.2

At December 31, 2017 and 2016, we had $33.5 million and $30.7 million, respectively, of unrecognized tax benefits recorded. Of this amount, $6.1 million and $8.3 million, respectively, were recorded in Other liabilities and $27.4 million and $22.4 million, respectively, were recorded as Other non-current assets in the Statements of Consolidated Financial Position for both years. If the $33.5 million were recognized, only $6.1 million would impact the effective tax rate. We do not expect that the amount of unrecognized benefits will change significantly within the next 12 months. At December 31, 2017 and 2016, we had $2.1 million and $0.8 million, respectively, of accrued interest and penalties related to the unrecognized tax benefits recorded in Other liabilities in the Statements of Consolidated Financial Position.

Tax years 2015 and forward remain subject to examination for the U.S. and tax years 2013 and forward for Australia. Tax years 2008 and forward remain subject to examination for Canada.

NOTE 10 - LEASE OBLIGATIONS

We lease certain mining, production and other equipment under operating and capital leases. The leases are for varying lengths, generally at market interest rates and contain purchase and/or renewal options at the end of the terms. Our operating lease expense was $7.1 million, $7.6 million and $12.0 million for the years ended December 31, 2017, 2016 and 2015, respectively. Capital lease assets were $37.4 million and $29.3 million at December 31, 2017 and 2016, respectively. Corresponding accumulated amortization of capital leases included in respective allowances for depreciation were $21.0 million and $13.1 million at December 31, 2017 and 2016, respectively.

Future minimum payments under capital leases and non-cancellable operating leases at December 31, 2017 are as follows:

	(In Millions)	
	Capital Leases	Operating Leases
2018	$20.8	$ 4.9
2019	12.1	1.8
2020	11.1	1.8
2021	10.5	1.8
2022	2.1	1.8
2023 and thereafter	—	7.5
Total minimum lease payments	$56.6	$ 19.6
Amounts representing interest	8.8	
Present value of net minimum lease payments[1]	$47.8	

[1] The total is comprised of $16.9 million and $30.9 million classified as Other current liabilities and Other liabilities, respectively, in the Statements of Consolidated Financial Position at December 31, 2017.

Table of Contents

NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS

We had environmental and mine closure liabilities of $200.1 million and $206.8 million at December 31, 2017 and 2016, respectively. The following is a summary of the obligations as of December 31, 2017 and 2016:

	(In Millions)	
	December 31,	
	2017	2016
Environmental	$2.9	$2.8
Mine closure		
U.S. Iron Ore[1]	168.4	187.8
Asia Pacific Iron Ore	28.8	16.2
Total mine closure	197.2	204.0
Total environmental and mine closure obligations	200.1	206.8
Less current portion	3.6	12.9
Long-term environmental and mine closure obligations	$196.5	$193.9

[1] U.S. Iron Ore includes our active operating mines, our indefinitely idled Empire mine and a closed mine formerly operating as LTVSMC.

Environmental

Our mining and exploration activities are subject to various laws and regulations governing the protection of the environment. We conduct our operations to protect the public health and environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities of $2.9 million and $2.8 million at December 31, 2017 and 2016, respectively, including obligations for known environmental remediation exposures at various active and closed mining operations and other sites, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements are readily known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed.

Mine Closure

Our mine closure obligations of $197.2 million and $204.0 million at December 31, 2017 and 2016, respectively, include our U.S. Iron Ore mines and our Asia Pacific Iron Ore mine.

The accrued closure obligation for our mining operations provides for contractual and legal obligations associated with the eventual closure of the mining operations. We performed a detailed assessment of our asset retirement obligations related to our active mining locations most recently in 2017 in accordance with our accounting policy, which requires us to perform an in-depth evaluation of the liability every three years in addition to routine annual assessments. In 2017, we employed a third-party specialist to assist in the evaluation.

Management periodically performs an assessment of the obligation to determine the adequacy of the liability in relation to the closure activities still required at the LTVSMC site, most recently performed in detail during 2017. The LTVSMC closure liability was $28.6 million and $25.5 million at December 31, 2017 and 2016, respectively. We are anticipating MPCA to reissue the NPDES permits for this facility in the future that could modify the closure liability, but the scale of that change will not be understood until reissuance of the permits.

For the assessments performed, we determined the obligations based on detailed estimates adjusted for factors that a market participant would consider (i.e., inflation, overhead and profit) and then discounted the obligation using the current credit-adjusted risk-free interest rate based on the corresponding life of mine. The estimate also incorporates incremental increases in the closure cost estimates and changes in estimates of mine lives. The closure date for each of our active operating U.S. Iron Ore mines was determined based on the exhaustion date of the remaining iron ore reserves. The closure date and expected timing of the capital requirements to meet our obligations for our Asia Pacific Iron Ore mine, and our other indefinitely idled or closed mines, is determined based on the unique circumstances of each property. The accretion of the liability and amortization of the related asset is recognized over the estimated mine lives for each location.

133

Table of Contents

The following represents a roll forward of our asset retirement obligation liability for the years ended December 31, 2017 and 2016:

	(In Millions) December 31, 2017	2016
Asset retirement obligation at beginning of year	$204.0	$230.4
Accretion expense	14.9	14.0
Remediation payments	(5.6)	(2.2)
Exchange rate changes	1.5	(0.2)
Revision in estimated cash flows	(17.6)	(38.0)
Asset retirement obligation at end of year	$197.2	$204.0

The revision in estimated cash flows recorded during the year ended December 31, 2017 relate primarily to updates to our estimates resulting from our three-year in-depth review of our asset retirement obligations for each of our U.S. mines. The primary driver of the decrease in estimated cash flows was the Empire mine, as the asset retirement obligation was reduced $26.2 million as a result of the refinement of the cash flows required for reclamation, remediation and structural removal. Prior estimates were based on RS Means (a common costing methodology used in the construction and demolition industry) costing data while the current estimate was compiled using a more detailed cost build-up approach. The overall decrease in estimated cash flows for our U.S. Iron Ore mines was offset partially by an increase in costs of $10.1 million relating to the refinement of expected costs to be incurred at the end of life of mine at our Asia Pacific Iron Ore operations.

The revision in estimated cash flows recorded during the year ended December 31, 2016 relate primarily to revisions in the timing of the estimated cash flows at two of our U.S. mines. The Empire mine asset retirement obligation was reduced $29.6 million as a result of the further refinement of the timing of cash flows and a downward revision of estimated cost of required storm water management systems expected to be implemented. Additionally, during 2016, a new economic reserve estimate was completed for United Taconite, increasing salable product reserves by 115 million long tons and consequently significantly increasing the life-of-mine plan, resulting in a $9.2 million decrease in the asset retirement obligation.

NOTE 12 - GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The carrying amount of goodwill for the years ended December 31, 2017 and 2016 was $2.0 million and related to our U.S. Iron Ore operating segment.

Other Intangible Assets

Following is a summary of the definite-lived intangible assets as of December 31, 2017 and 2016:

		(In Millions) December 31, 2017			December 31, 2016		
	Classification	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Permits	Other non-current assets	$78.8	$ (26.5)	$ 52.3	$78.4	$ (24.6)	$ 53.8

Amortization expense relating to other intangible assets was $2.1 million, $4.8 million and $4.2 million for the years ended December 31, 2017, 2016 and 2015, respectively, and is recognized in Cost of goods sold and operating expenses in the Statements of Consolidated Operations. Amortization expense of other intangible assets is expected to continue to be immaterial going forward.

Table of Contents

NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The following table presents the fair value of our derivative instruments and the classification of each in the Statements of Consolidated Financial Position as of December 31, 2017 and 2016:

	(In Millions)							
	Derivative Assets				Derivative Liabilities			
	December 31, 2017		December 31, 2016		December 31, 2017		December 31, 2016	
Derivative Instrument	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under ASC 815:								
Commodity Contracts		$—		$—	Other current liabilities	$ 0.3		$ —
Derivatives not designated as hedging instruments under ASC 815:								
Customer Supply Agreements	Derivative assets	$37.9	Derivative assets	$21.3		$ —		$ —
Provisional Pricing Arrangements	Derivative assets	1.5	Derivative assets	10.3	Other current liabilities	2.4	Other current liabilities	0.5
Commodity Contracts		—	Derivative assets	1.5		—		—
Total derivatives not designated as hedging instruments under ASC 815:		$39.4		$33.1		$ 2.4		$ 0.5
Total derivatives		$39.4		$33.1		$ 2.7		$ 0.5

Derivatives Designated as Hedging Instruments

Cash Flow Hedges

As of December 31, 2017, we had outstanding natural gas hedge contracts for a notional amount of 3.5 million MMBtu in the form of forward contracts with varying maturity dates ranging from January 2018 to November 2018. We had no natural gas hedge contracts as of December 31, 2016 that qualified for hedge accounting. Changes in fair value of highly effective hedges are recorded as a component of Accumulated other comprehensive loss in the Statements of Consolidated Financial Position. During the year ended December 31, 2017, we recorded an unrealized loss of $0.5 million in Other comprehensive income (loss) for changes in the fair value of these instruments. As of December 31, 2017 no amounts have been reclassified from Accumulated other comprehensive loss into earnings.

Table of Contents

Derivatives Not Designated as Hedging Instruments

Customer Supply Agreements

Most of our U.S. Iron Ore long-term supply agreements are comprised of a base price with annual price adjustment factors. The base price is the primary component of the purchase price for each contract. The indexed price adjustment factors are integral to the iron ore supply contracts and vary based on the agreement, but typically include adjustments based upon changes in the Platts 62% Price, along with pellet premiums, published Platts international indexed freight rates and changes in specified Producer Price Indices, including those for industrial commodities, fuel and steel. The pricing adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement. In most cases, these adjustment factors have not been finalized at the time our product is sold. In these cases, we historically have estimated the adjustment factors at each reporting period based upon the best third-party information available. The estimates are then adjusted to actual when the information has been finalized. The price adjustment factors have been evaluated to determine if they contain embedded derivatives. The price adjustment factors share the same economic characteristics and risks as the host contract and are integral to the host contract as inflation adjustments; accordingly, they have not been separately valued as derivative instruments.

Certain supply agreements with one U.S. Iron Ore customer provide for supplemental revenue or refunds to the customer based on the customer's average annual steel pricing or based on the average annual daily steel market price for hot-rolled coil steel at the time the product is consumed in the customer’s blast furnace. In the new contract which commenced in 2017, this supplemental revenue and refund data source changes from the customer's average annual steel price to an average annual daily market price for hot-rolled coil steel. The supplemental pricing is characterized as a freestanding derivative and is required to be accounted for separately once the product is shipped. The derivative instrument, which is finalized based on a future price, is adjusted to fair value as a revenue adjustment each reporting period until the pellets are consumed and the amounts are settled.

We recognized $163.3 million, $41.7 million and $27.1 million as Product revenues in the Statements of Consolidated Operations for the years ended December 31, 2017, 2016 and 2015, respectively, related to the supplemental payments. Derivative assets, representing the fair value of the supplemental revenue, were $37.9 million and $21.3 million as of December 31, 2017 and 2016, respectively, in the Statements of Consolidated Financial Position.

Provisional Pricing Arrangements

Certain of our U.S. Iron Ore and Asia Pacific Iron Ore customer supply agreements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate based on certain market inputs at a specified period in time in the future, per the terms of the supply agreements. Market inputs are tied to indexed price adjustment factors that are integral to the iron ore supply contracts and vary based on the agreement. The pricing mechanisms typically include adjustments based upon changes in the Platts 62% Price, along with pellet premiums, published Platts international indexed freight rates and changes in specified Producer Price Indices, including those for industrial commodities, fuel and steel. The pricing adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement.

U.S. Iron Ore sales revenue is primarily recognized when cash is received. For U.S. Iron Ore sales, the difference between the provisionally agreed-upon price and the estimated final revenue rate is characterized as a freestanding derivative and must be accounted for separately once the provisional revenue has been recognized. Asia Pacific Iron Ore sales revenue is recorded initially at the provisionally agreed-upon price with the pricing provision embedded in the receivable. The pricing provision is not clearly and closely related to the economic characteristics of the host receivable; therefore, the pricing provision is an embedded derivative that must be bifurcated and accounted for separately from the receivable. Subsequently, the derivative instruments for both U.S. Iron Ore and Asia Pacific Iron Ore are adjusted to fair value through Product revenues each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rate is determined.

At December 31, 2017, we recorded $1.5 million as Derivative assets and $2.4 million as derivative liabilities classified as Other current liabilities related to our estimate of the final revenue rate for our U.S. Iron Ore and Asia Pacific Iron Ore customers in the Statements of Consolidated Financial Position. At December 31, 2016, we recorded

$10.3 million as Derivative assets and $0.5 million as derivative liabilities classified as Other current liabilities related to our estimate of the final revenue rate with our U.S. Iron Ore and Asia Pacific Iron Ore customers in the Statements of Consolidated Financial Position. These amounts represent the difference between the provisional price agreed upon with our customers based on the supply agreement terms and our estimate of the final revenue rate based on the price calculations established in the supply agreements. We recognized a net decrease of $58.6 million in Product revenues

136

Table of Contents

in the Statements of Consolidated Operations for the year ended December 31, 2017 related to these arrangements. This compares with a net increase of $49.0 million and net decrease of $1.4 million in Product revenues for the comparable periods in 2016 and 2015, respectively.

The following summarizes the effect of our derivatives that are not designated as hedging instruments in the Statements of Consolidated Operations for the years ended December 31, 2017, 2016 and 2015:

(In Millions)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Year Ended December 31,		
		2017	2016	2015
Customer Supply Agreements	Product revenues	$163.3	$41.7	$27.1
Provisional Pricing Arrangements	Product revenues	(58.6)	49.0	(1.4)
Foreign Exchange Contracts	Other non-operating income (expense)	—	—	(3.6)
Foreign Exchange Contracts	Product revenues	—	—	(12.6)
Commodity Contracts	Cost of goods sold and operating expenses	—	1.9	(4.0)
Total		$104.7	$92.6	$5.5

Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for additional information.

NOTE 14 - DISCONTINUED OPERATIONS

The information below sets forth selected financial information related to operating results of our businesses classified as discontinued operations. While the reclassification of revenues and expenses related to discontinued operations from prior periods have no impact upon previously reported net income, the Statements of Consolidated Operations present the revenues and expenses that were reclassified from the specified line items to discontinued operations.

Table of Contents

The chart below provides an asset group breakout for each financial statement line impacted by discontinued operations:
(In Millions)

		North American Coal	Canadian Operations Eastern Canadian Iron Ore	Canadian Operations Other	Total Canadian Operations	Total Discontinued Operations
Statements of Consolidated Operations						
Gain (Loss) from Discontinued Operations, net of tax	YTD December 31, 2017	$ 2.6	$ (21.3)	$ —	$ (21.3)	$ (18.7)
Loss from Discontinued Operations, net of tax	YTD December 31, 2016	$ (2.4)	$ (17.5)	$ —	$ (17.5)	$ (19.9)
Loss from Discontinued Operations, net of tax	YTD December 31, 2015	$ (152.4)	$ (638.7)	$ (101.0)	$ (739.7)	$ (892.1)
Statements of Consolidated Financial Position						
Other current liabilities	As of December 31, 2017	$ 3.2	$ —	$ —	$ —	$ 3.2
Other current liabilities	As of December 31, 2016	$ 6.0	$ —	$ —	$ —	$ 6.0
Non-Cash Operating and Investing Activities						
Depreciation, depletion and amortization	YTD December 31, 2015	$ 3.2	$ —	$ —	$ —	$ 3.2
Purchase of property, plant and equipment	YTD December 31, 2015	$ 15.9	$ —	$ —	$ —	$ 15.9
Impairment of long-lived assets	YTD December 31, 2015	$ 73.4	$ —	$ —	$ —	$ 73.4

North American Coal Operations

Background

As of March 31, 2015, management determined that our North American Coal operating segment met the criteria to be classified as held for sale under ASC 205, Presentation of Financial Statements. The North American Coal segment continued to meet the criteria throughout 2015 until we sold our North American Coal operations during the fourth quarter of 2015. As such, all current and historical North American Coal operating segment results are classified as discontinued operations in our financial statements. Historical results also include our CLCC assets, which were sold during the fourth quarter of 2014.

In the first quarter of 2015, as part of the held for sale classification assigned to North American Coal, an impairment of $73.4 million was recorded. The impairment charge was to reduce the assets to their estimated fair value which was determined based on potential sales scenarios. No further impairment was recorded in 2015.

On December 22, 2015, we completed a strategic shift in our business by closing the sale of our remaining North American Coal business, which included Pinnacle mine in West Virginia and Oak Grove mine in Alabama. Pinnacle mine and Oak Grove mine were sold to Seneca and the deal structure was a sale of equity interests of our remaining coal business. Additionally, Seneca may pay us an earn-out of up to $50 million contingent upon the terms of a revenue sharing agreement which extends through the year 2020. However, we have not recorded a gain contingency in relation to this earn-out. We recorded the results of this sale within Loss from Discontinued Operations, net of tax for the year ended December 31, 2015.

138

Table of Contents

Loss from Discontinued Operations	(In Millions) Year Ended December 31, 2017	2016	2015
Revenues from product sales and services	$—	$—	$392.9
Cost of goods sold and operating expenses	—	—	(449.2)
Sales margin	—	—	(56.3)
Other operating income (expense)	0.5	(4.5)	(30.4)
Gain on sale of coal mines	2.1	2.1	9.3
Other expense	—	—	(1.8)
Gain (loss) from discontinued operations before income taxes	2.6	(2.4)	(79.2)
Impairment of long-lived assets	—	—	(73.4)
Income tax benefit	—	—	0.2
Gain (loss) from discontinued operations, net of tax	$2.6	$(2.4)	$(152.4)

Items Measured at Fair Value on a Non-Recurring Basis

The following table presents information about the impairment charge on non-financial assets that was measured on a fair value basis at March 31, 2015 for the North American Coal operations. There were no financial and non-financial assets and liabilities that were measured on a non-recurring fair value basis at December 31, 2017 and 2016 for the North American Coal operations. The table also indicates the fair value hierarchy of the valuation techniques used to determine such fair value:

Description	(In Millions) March 31, 2015 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Total Losses
Assets:					
Other long-lived assets - Property, plant and equipment and Mineral rights: North American Coal operating unit	$—	$—	$ 20.4	$20.4	$ 73.4
	$—	$—	$ 20.4	$20.4	$ 73.4

In the first quarter of 2015, as part of the held for sale classification assigned to North American Coal, an impairment charge of $73.4 million was recorded. The impairment charge was to reduce the assets to their estimated fair value which was determined based on potential sales scenarios. We determined the fair value and recoverability of our North American Coal operating segment by comparing the estimated fair value of the underlying assets and liabilities to the estimated sales price of the operating segment held for sale. No further impairment was recorded in 2015.

Table of Contents

Recorded Assets and Liabilities

	(In Millions)	
Assets and Liabilities of Discontinued Operations[1]	December 31, 2017	December 31, 2016
Accrued liabilities	$ —	$ 1.1
Other current liabilities	3.2	4.9
Total liabilities of discontinued operations	$ 3.2	$ 6.0

[1] At December 31, 2017, we had no contingent liabilities associated with our exit from the coal business recorded on our parent company compared to $2.1 million at December 31, 2016.

As part of the CLCC asset sale during the fourth quarter of 2014, there was an amount placed in escrow to cover decreases in working capital, indemnity obligations and regulatory liabilities. During the year ended December 31, 2016, the final distribution of $10.3 million was released to us from escrow.

Income Taxes

We recognized no tax expense or benefit for the years ended December 31, 2017 and 2016 in Loss from Discontinued Operations, net of tax, related to our North American Coal investments. For the year ended December 31, 2015, we recognized a tax benefit of $0.2 million in Loss from Discontinued Operations, net of tax, related to a loss on our North American Coal investments.

Canadian Operations

Background

On January 27, 2015, we announced that the Bloom Lake Group commenced restructuring proceedings in Montreal, Quebec under the CCAA to address the Bloom Lake Group's immediate liquidity issues and to preserve and protect its assets for the benefit of all stakeholders while restructuring and/or sale options were explored. At that time, the Bloom Lake Group was no longer generating revenues and was not able to meet its obligations as they came due. As part of the CCAA process, the Court approved the appointment of a Monitor and certain other financial advisors.

Additionally, on May 20, 2015, the Wabush Group commenced restructuring proceedings in Montreal, Quebec under the CCAA. The Wabush Group was no longer generating revenues and was not able to meet its obligations as they came due. As a result of this action, the CCAA protection granted to the Bloom Lake Group was extended to include the Wabush Group to facilitate the reorganization of each of their businesses and operations. The Monitor appointed by the court in the CCAA proceeding for the Bloom Lake Group has also been appointed by the court as the Monitor in the CCAA proceeding for the Wabush Group.

As a result of the commencement of CCAA proceedings for the Bloom Lake Group on January 27, 2015, we no longer have a controlling interest in the Bloom Lake Group. For that reason, we deconsolidated the Bloom Lake Group and certain other wholly-owned subsidiaries effective January 27, 2015, which resulted in a pretax impairment loss on deconsolidation and other charges totaling $818.7 million that was recorded in the first quarter of 2015. The pretax loss on deconsolidation includes the derecognition of the carrying amounts of the Bloom Lake Group and certain other wholly-owned subsidiaries' assets, liabilities and accumulated other comprehensive losses and the recording of our remaining interests at fair value.

As a result of the commencement of CCAA proceedings for the Wabush Group on May 20, 2015, we deconsolidated certain Wabush Group wholly-owned subsidiaries effective May 20, 2015. The wholly-owned subsidiaries that were deconsolidated effective May 20, 2015 are Wabush Group entities that were not deconsolidated as part of the deconsolidation effective January 27, 2015 as discussed previously in this section. This deconsolidation, effective May 20, 2015, resulted in a pretax gain on deconsolidation and other charges, totaling $134.7 million. The pretax gain on deconsolidation includes the derecognition of the carrying amounts of these certain deconsolidated Wabush Group wholly-owned subsidiaries' assets, liabilities and accumulated other comprehensive losses and the adjustment of our remaining interests in the Canadian Entities to fair value.

Subsequent to each of the deconsolidations discussed above, we utilized the cost method to account for our investment in the Canadian Entities, which has been reflected as zero in our Statements of Consolidated Financial Position as of

December 31, 2017 and 2016 based on the estimated fair value of the Canadian Entities' net assets. Loans to and accounts receivable from the Canadian Entities are recorded at an estimated fair value of $51.6 million and $48.6 million classified as Loans to and accounts receivables from the Canadian Entities in the Statements of

140

Table of Contents

Consolidated Financial Position as of December 31, 2017 and 2016, respectively. The Loans to and accounts receivables from the Canadian Entities balance reflects our current estimate. We continue to update the estimate as the CCAA proceedings progress. The December 31, 2017 balance reflects developments since the January 27, 2015 and May 20, 2015 CCAA filings, including finalized liquidation values for completed asset sales and updates for the expected allocation of proceeds for those sales, updates for ongoing costs incurred by the various estates that will be held back from the final distribution to creditors of the Bloom Lake Group and the Wabush Group and the repayment of DIP financing.

Status of CCAA Proceedings

As of December 31, 2017, CCAA proceedings are ongoing and the majority of the assets of each of the Bloom Lake Group and the Wabush Group have been liquidated. The net proceeds of sale of the assets of the Bloom Lake Group and the Wabush Group are currently being held by the Monitor. Certain of these funds will be utilized to fund the accrued and ongoing costs of the CCAA proceedings. The Monitor has conducted a claims process pursuant to which creditors, including the Company and its affiliates, have filed claims against the Bloom Lake Group and the Wabush Group. The Monitor is reviewing all claims filed as part of this claims process. Currently, there is uncertainty as to the amount of the distribution that will be made to the creditors of the Bloom Lake Group and the Wabush Group, including, if any, to us, and whether we could be held liable for claims that may be asserted by or on behalf of the Bloom Lake Group or the Wabush Group or by their respective representatives against non-debtor affiliates of the Bloom Lake Group and the Wabush Group.

During 2017, we became aware that it was probable the Monitor will assert a preference claim against us and/or certain of our affiliates. Given that it is probable the claim will be asserted by the Monitor, we have recorded an estimated liability of $55.6 million, which includes the value of our related-party claims against the Bloom Lake Group and the Wabush Group. Should the Monitor proceed to assert the claim, we believe the Monitor will demand an amount in excess of the value of our related-party claims against the Bloom Lake Group and the Wabush Group. Thus, it is possible that a change in the estimated liability may occur in the future. We deny liability for any amount and will vigorously defend such claim. Refer to the Guarantees and Contingent Liabilities section below for additional information.

During 2017, the Wabush Scully Mine was sold as part of the ongoing CCAA proceedings for the Wabush Group. As part of the sale, the environmental remediation obligations were conveyed to the buyer and we were released from our guarantees. Refer to the Guarantees and Contingent Liabilities section below for additional information.

Loss on Discontinued Operations

Our Canadian exit represents a strategic shift in our business. For this reason, our previously reported Eastern Canadian Iron Ore and Ferroalloys operating segment results for all periods prior to the respective deconsolidations, as well as costs to exit, are classified as discontinued operations.

	(In Millions) Year Ended December 31,		
Loss from Discontinued Operations	2017	2016	2015
Revenues from product sales and services	$—	$—	$11.3
Cost of goods sold and operating expenses	—	—	(11.1)
Sales margin	—	—	0.2
Other operating expense	—	—	(33.8)
Other expense	—	—	(1.0)
Loss from discontinued operations before income taxes	—	—	(34.6)
Loss from deconsolidation	(21.3)	(17.5)	(710.9)
Income tax benefit	—	—	5.8
Loss from discontinued operations, net of tax	$(21.3)	$(17.5)	$(739.7)

Table of Contents

Canadian Entities loss from deconsolidation totaled $21.3 million and $17.5 million for the year ended December 31, 2017 and 2016, respectively and included the following:

	(In Millions) Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Investment impairment on deconsolidation[1]	$3.0	$ (17.5)	$ (507.8)
Guarantees and contingent liabilities	(24.3)	—	(203.1)
Total loss from deconsolidation	$ (21.3)	$ (17.5)	$ (710.9)

[1] Includes the adjustment to fair value of our remaining interest in the Canadian Entities.

Investments in the Canadian Entities

We continue to indirectly own a majority of the interest in the Canadian Entities but have deconsolidated those entities because we no longer have a controlling interest as a result of the CCAA proceedings commenced with respect to the Bloom Lake Group and the Wabush Group. At the respective dates of deconsolidation, January 27, 2015 and May 20, 2015 and subsequently at each reporting period, we adjusted our investment in the Canadian Entities to fair value with a corresponding charge to Loss from Discontinued Operations, net of tax. As the estimated amount of the Canadian Entities' liabilities exceeded the estimated fair value of the assets available for distribution to their creditors, the fair value of our equity investment is approximately zero.

Amounts Receivable from the Canadian Entities

Prior to the deconsolidations, certain of our wholly-owned subsidiaries made loans to the Canadian Entities for the purpose of funding their operations and had accounts receivable generated in the ordinary course of business. The loans, corresponding interest and the accounts receivable were considered intercompany transactions and eliminated in our consolidated financial statements. Since the deconsolidations, the loans, associated interest and accounts receivable are considered related party transactions and have been recognized in our consolidated financial statements at their estimated fair value of $51.6 million and $48.6 million classified as Loans to and accounts receivables from the Canadian Entities in the Statements of Consolidated Financial Position at December 31, 2017 and 2016, respectively.

Pre-Petition Financing

Prior to the commencement of CCAA proceedings for the Wabush Group on May 20, 2015, a secured credit facility (the "Pre-Petition financing") was made available by Cliffs Mining Company to provide support to the Wabush Group for ongoing business activities. As of December 31, 2017 and 2016, the amount outstanding under the Pre-Petition financing was $7.2 million. Our estimated recovery of the Pre-Petition financing is included within the Loans to and accounts receivables from the Canadian Entities of $51.6 million. The Pre-Petition financing is secured by the proceeds of certain assets of the Wabush Group.

Guarantees and Contingent Liabilities

During 2017, we became aware that it was probable the Monitor will assert a preference claim against the Company and/or certain of its affiliates. Given that it is probable the claim will be asserted by the Monitor, we have recorded an estimated liability of $55.6 million, which includes the value of our related-party claims against the Bloom Lake Group and the Wabush Group, classified as Contingent claims in the Statements of Consolidated Financial Position as of December 31, 2017 and included within Loss from Discontinued Operations, net of tax in the Statements of Consolidated Operations for the year ended December 31, 2017. Should the Monitor proceed to assert the claim, we believe the Monitor will demand an amount in excess of the value of our related-party claims against the Bloom Lake Group and the Wabush Group. Thus, it is possible that a change in the estimated liability may occur in the future. We deny liability for any amount and will vigorously defend such claim.

We previously recorded liabilities of $37.2 million related to guarantees for certain environmental obligations of the Canadian Entities, classified as Other liabilities in the Statements of Consolidated Financial Position as of December 31, 2016. During 2017, the Wabush Scully Mine was sold as part of the ongoing CCAA proceedings for the Wabush Group. As part of this transaction, we were required to fund the buyer's financial assurance shortfall of $7.7 million in order to complete the conveyance of the environmental remediation obligations to the buyer, which released us from our guarantees and resulted in a net gain of $31.4 million included in Loss from Discontinued Operations, net

142

Table of Contents

of tax in the Statements of Consolidated Operations. Refer to the Items Measured at Fair Value on a Non-Recurring Basis section below for additional information.

Items Measured at Fair Value on a Non-Recurring Basis

The following table presents information about the financial assets and liabilities that were measured on a fair value basis at December 31, 2017 and 2016 for the Canadian Entities. The table also indicates the fair value hierarchy of the valuation techniques used to determine such fair value:

	(In Millions) December 31, 2017				
Description	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Gains
Assets:					
Loans to and accounts receivables from the Canadian Entities	$—	$ —	$ 51.6	$51.6	$3.0
Liabilities:					
Guarantees and contingent liabilities	$—	$ —	$ —	$—	$31.4

	(In Millions) December 31, 2016				
Description	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Losses
Assets:					
Loans to and accounts receivables from the Canadian Entities	$—	$ —	$ 48.6	$48.6	$ 17.5
Liabilities:					
Guarantees and contingent liabilities	$—	$ —	$ 37.2	$37.2	$ —

To assess the fair value and recoverability of the accounts receivable from the Canadian Entities, we estimated the fair value of the underlying net assets of the Canadian Entities available for distribution to their creditors in relation to the estimated creditor claims and the priority of those claims. These underlying amounts are denominated primarily in Canadian dollars and are remeasured on a quarterly basis.

We determined the fair value and recoverability of our Canadian investments by comparing the estimated fair value of the remaining underlying assets of the Canadian Entities to remaining estimated liabilities. We recorded the Canadian denominated guarantees at book value, which best approximated fair value.

Our estimates involve significant judgment and are based on currently available information, an assessment of the validity of certain claims and estimated payments made by the Canadian Entities. Our ultimate recovery is subject to the final liquidation value of the Canadian Entities. Further, the final liquidation value and ultimate recovery of the creditors of the Canadian Entities, including, if any, to Cliffs and various subsidiaries, may impact our estimates of contingent liability exposure described previously.

Income Taxes

We have recognized no tax expense or benefit for the years ended December 31, 2017 and 2016 in Loss from Discontinued Operations, net of tax, related to our Canadian investments. For the year ended December 31, 2015, we recognized a tax benefit of $5.8 million in Loss from Discontinued Operations, net of tax.

143

Table of Contents

NOTE 15 - CAPITAL STOCK

Common Share Public Offering

On February 9, 2017, we issued 63.25 million common shares in an underwritten public offering at a public offering price of $10.75 per common share. We received net proceeds of $661.3 million. The net proceeds from the issuance of our common shares and our issuance of $500 million aggregate principal amount of 5.75% 2025 Senior Notes were used to redeem in full all of our outstanding 8.00% 2020 1.5 Lien Notes and 7.75% 2020 Second Lien Notes. The aggregate principal amount outstanding of debt redeemed was $648.6 million. Additionally, through tender offers, we purchased $422.2 million in aggregate principal amount of debt, excluding unamortized discounts and deferred charges, of our 5.90% 2020 Senior Notes, our 4.80% 2020 Senior Notes and our 4.875% 2021 Senior Notes. In addition, we redeemed $35.6 million aggregate principal amount of the 8.25% 2020 First Lien Notes with the remaining net proceeds from our common share offering.

On August 10, 2016, we issued 44.4 million common shares in an underwritten public offering at a public offering price of $6.75 per common share. We received net proceeds of $287.6 million. The net proceeds from the issuance of our common shares were used to fully redeem our 3.95% 2018 Senior Notes.

Preferred Shares Conversion to Common Shares

On January 4, 2016, we announced that our Board of Directors determined the final quarterly dividend of our Preferred Shares would not be paid in cash, but instead, pursuant to the terms of the Preferred Shares, the conversion rate was increased such that holders of the Preferred Shares received additional common shares in lieu of the accrued dividend at the time of the mandatory conversion on February 1, 2016. The number of common shares in the aggregate that were issued in lieu of the final dividend was 1.3 million. This resulted in an effective conversion rate of 0.9052 common shares, rather than 0.8621 common shares, per depositary share, each representing a 1/40th of a Preferred Share.

Prior to the mandatory conversion, holders of the depositary shares were entitled to a proportional fractional interest in the rights and preferences of the Series A preferred shares, including conversion, dividend, liquidation and voting rights, subject to the provisions of the deposit agreement. The Series A preferred shares were convertible, at the option of the holder, at the minimum conversion rate of 28.1480 of our common shares (equivalent to 0.7037 of our common shares per depositary share) at any time prior to February 1, 2016 or other than during a fundamental change conversion period, subject to anti-dilution adjustments. If not converted prior to that time, each Series A preferred share converted automatically on February 1, 2016 into between 28.1480 and 34.4840 common shares, par value $0.125 per share, subject to anti-dilution adjustments. The number of common shares issued on conversion was determined based on the average VWAP per share of our common shares during the 20 trading day period beginning on, and including, the 23rd scheduled trading day prior to February 1, 2016, subject to customary anti-dilution adjustments. Upon conversion on February 1, 2016, an aggregate of 26.5 million common shares were issued, representing 25.2 million common shares issuable upon conversion and 1.3 million that were issued in lieu of a final cash dividend.

Dividends

On November 19, 2014, March 27, 2015, July 1, 2015 and September 10, 2015, our Board of Directors declared the quarterly cash dividend of $17.50 per Preferred Share, which is equivalent to $0.44 per depositary share. The cash dividend was paid on February 2, 2015, May 1, 2015, August 3, 2015 and November 2, 2015 to our shareholders of record as of the close of business on January 15, 2015, April 15, 2015, July 15, 2015 and October 15, 2015, respectively.

Debt-for-Equity Exchanges

During the year ended December 31, 2016, we entered into a series of privately negotiated exchange agreements whereby we issued an aggregate of 8.2 million common shares in exchange for $10.0 million aggregate principal amount of our 3.95% 2018 Senior Notes, $20.1 million aggregate principal amount of our 4.80% 2020 Senior Notes and $26.8 million aggregate principal amount of our 4.875% 2021 Senior Notes. There were no exchanges that represented more than 1% of our outstanding common shares during any quarter. Accordingly, we recognized a gain of $11.3 million in Gain (loss) on extinguishment/restructuring of debt in the Statements of Consolidated Operations for the year ended December 31, 2016. The issuances of the common shares in exchange for our senior notes due

2018, 2020 and 2021 were made in reliance on the exemption from registration provided in Section 3(a)(9) of the Securities Act.

144

Table of Contents

NOTE 16 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of Accumulated other comprehensive loss within Cliffs shareholders' deficit and related tax effects allocated to each are shown below as of December 31, 2017, 2016 and 2015:

	(In Millions)		
	Pre-tax Amount	Tax Benefit	After-tax Amount
As of December 31, 2017:			
Postretirement benefit liability	$(387.3)	$123.4	$(263.9)
Foreign currency translation adjustments	225.4	—	225.4
Unrealized net loss on derivative financial instruments	(0.5)	—	(0.5)
	$(162.4)	$123.4	$(39.0)
As of December 31, 2016:			
Postretirement benefit liability	$(384.0)	$123.4	$(260.6)
Foreign currency translation adjustments	239.3	—	239.3
	$(144.7)	$123.4	$(21.3)
As of December 31, 2015:			
Postretirement benefit liability	$(364.8)	$123.4	$(241.4)
Foreign currency translation adjustments	220.7	—	220.7
Unrealized net gain on derivative financial instruments	2.2	0.4	2.6
Unrealized gain on securities	0.1	—	0.1
	$(141.8)	$123.8	$(18.0)

Table of Contents

The following tables reflect the changes in Accumulated other comprehensive loss related to Cliffs shareholders' equity for December 31, 2017, 2016 and 2015:

	(In Millions)			
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Foreign Currency Translation	Net Unrealized Loss on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2016	$(260.6)	$ 239.3	$ —	$ (21.3)
Other comprehensive loss before reclassifications	(29.8)	(13.9)	(0.5)	(44.2)
Net loss reclassified from accumulated other comprehensive income (loss)	26.5	—	—	26.5
Balance December 31, 2017	$(263.9)	$ 225.4	$ (0.5)	$ (39.0)

	(In Millions)				
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Securities, net of tax	Unrealized Net Gain on Foreign Currency Translation	Net Unrealized Gain (Loss) on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2015	$(241.4)	$ 0.1	$ 220.7	$ 2.6	$ (18.0)
Other comprehensive income (loss) before reclassifications	(44.8)	(0.1)	18.4	(3.3)	(29.8)
Net loss reclassified from accumulated other comprehensive income (loss)	25.6	—	0.2	0.7	26.5
Balance December 31, 2016	$(260.6)	$ —	$ 239.3	$ —	$ (21.3)

	(In Millions)				
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Securities, net of tax	Unrealized Net Gain (Loss) on Foreign Currency Translation	Net Unrealized Gain (Loss) on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2014	$(291.1)	$ (1.0)	$ 64.4	$ (18.1)	$ (245.8)
Other comprehensive income (loss) before reclassifications	9.1	5.4	(26.4)	1.9	(10.0)
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	40.6	(4.3)	182.7	18.8	237.8
Balance December 31, 2015	$(241.4)	$ 0.1	$ 220.7	$ 2.6	$ (18.0)

146

Table of Contents

The following table reflects the details about Accumulated other comprehensive loss components related to Cliffs shareholders' equity for the years ended December 31, 2017, 2016 and 2015:

Details about Accumulated Other Comprehensive Income (Loss) Components	(In Millions) Amount of (Gain)/Loss Reclassified into Income			Affected Line Item in the Statement of Consolidated Operations
	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	
Amortization of Pension and Postretirement Benefit Liability:				
Prior service costs[1]	$(0.4)	$ (1.5)	$ (1.4)	
Net actuarial loss[1]	26.9	27.1	27.4	
Curtailments/Settlements[1]	—	—	0.2	
Effect of deconsolidation[2]	—	—	15.1	Loss from Discontinued Operations, net of tax
	26.5	25.6	41.3	Total before taxes
	—	—	(0.7)	Income tax benefit (expense)
	$26.5	$ 25.6	$ 40.6	Net of taxes
Unrealized loss on marketable securities:				
Sale of marketable securities	$—	$ —	$ (2.6)	Other non-operating income (expense)
Impairment	—	—	(2.0)	Other non-operating income (expense)
	—	—	(4.6)	Total before taxes
	—	—	0.3	Income tax benefit (expense)
	$—	$ —	$ (4.3)	Net of taxes
Unrealized gain on foreign currency translation:				
Dissolution of entity	$—	$ 0.2	$ —	Other non-operating income (expense)
Effect of deconsolidation[3]	—	—	182.7	Loss from Discontinued Operations, net of tax
	$—	$ 0.2	$ 182.7	Net of taxes
Unrealized gain on derivative financial instruments:				
Treasury lock	$—	$ 1.2	$ —	Gain (loss) on extinguishment/restructuring of debt
Australian dollar foreign exchange contracts	—	—	26.9	Product revenues
	—	1.2	26.9	Total before taxes
	—	(0.5)	(8.1)	Income tax benefit (expense)
	$—	$ 0.7	$ 18.8	Net of taxes
Total Reclassifications for the Period	$26.5	$ 26.5	$ 237.8	

[1] These accumulated other comprehensive income components are included in the computation of net periodic benefit cost. See NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

[2] Represents Canadian postretirement benefit liabilities that were deconsolidated. See NOTE 14 - DISCONTINUED OPERATIONS for further information.
[3] Represents Canadian accumulated currency translation adjustments that were deconsolidated. See NOTE 14 - DISCONTINUED OPERATIONS for further information.

147

Table of Contents

NOTE 17 - CASH FLOW INFORMATION

A reconciliation of capital additions to cash paid for capital expenditures for the years ended December 31, 2017, 2016 and 2015 is as follows:

	(In Millions) Year Ended December 31,		
	2017	2016	2015
Capital additions[1]	$156.0	$68.5	$96.7
Less:			
Non-cash accruals	$(2.2)	$(0.6)	$14.4
Capital leases	6.5	—	1.5
Cash paid for capital expenditures	$151.7	$69.1	$80.8

[1] Includes capital additions of $72.2 million and $24.5 million related to continuing operations and discontinued operations, respectively, for the year ended December 31, 2015.

Cash payments for interest and income taxes in 2017, 2016 and 2015 are as follows:

	(In Millions)		
	2017	2016	2015
Taxes paid on income	$1.7	$6.0	$5.0
Income tax refunds	$(7.8)	$(5.4)	$(211.4)
Interest paid on debt obligations[1]	$139.0	$184.0	$185.6

[1] Includes interest paid on the corporate guarantees of the equipment loans that relate to discontinued operations for the years ended December 31, 2016 and 2015 of $1.4 million and $4.8 million, respectively.

NOTE 18 - RELATED PARTIES

One of our four operating U.S. iron ore mines is a co-owned joint venture with companies that are integrated steel producers or their subsidiaries. We are the manager of such co-owned mine and rely on our joint venture partners to make their required capital contributions and to pay for their share of the iron ore pellets that we produce. Our joint venture partners are also our customers. The following is a summary of the mine ownership of the co-owned iron ore mine at December 31, 2017:

Mine	Cleveland-Cliffs Inc.	ArcelorMittal	U.S. Steel
Hibbing	23.0 %	62.3 %	14.7%

During 2017, our ownership interest in Empire increased to 100% as we reached an agreement to distribute the noncontrolling interest net assets of $132.7 million to ArcelorMittal, in exchange for its interest in Empire. The net assets were agreed to be distributed in three installments of $44.2 million each, the first of which was paid upon the execution of the agreement and the remaining distributions are due in August 2018 and August 2019. The remaining two outstanding installments are reflected in Partnership distribution payable and Other liabilities in the Statements of Consolidated Financial Position as of December 31, 2017. We accounted for the increase in ownership as an equity transaction, which resulted in a $12.1 million decrease in equity attributable to Cliffs' shareholders and a $116.7 million decrease in Noncontrolling interest.

As part of a 2014 extension agreement between us and ArcelorMittal, which amended certain terms of the Empire partnership agreement, distributions of the partners' equity amounts were required to be made on a quarterly basis beginning in the first quarter of 2015. These equity distributions were made through the termination of the partnership agreement on December 31, 2016. We paid $8.7 million in January 2017 related to 2016 distributions. During the year ended December 31, 2016, we recorded distributions of $57.5 million to ArcelorMittal under this agreement, of which $48.8 million was paid as of December 31, 2016. During the year ended December 31, 2015, we recorded distributions

148

Table of Contents

of $51.7 million under this agreement, of which $40.6 million was paid as of December 31, 2015 and $11.1 million was paid in January 2016.

During 2017, we also acquired the remaining 15% equity interest in Tilden for $105.0 million. With the closing of this transaction, we now have 100% ownership of the mine. We accounted for the increase in ownership as an equity transaction, which resulted in an $89.1 million decrease in equity attributable to Cliffs' shareholders and a $15.9 million decrease in Noncontrolling interest.

Product revenues from related parties were as follows:

	(In Millions) Year Ended December 31,		
	2017	2016	2015
Product revenues from related parties	$806.7	$830.1	$671.1
Total product revenues	2,089.2	1,913.5	1,832.4
Related party product revenue as a percent of total product revenue	38.6 %	43.4 %	36.6 %

The following table presents the classification of related party assets and liabilities in the Statements of Consolidated Financial Position as of December 31, 2017 and 2016:

	(In Millions) Balance Sheet Location	December 31, 2017	December 31, 2016
Amounts due from related parties	Accounts receivable, net	$ 68.1	$ 46.9
Customer supply agreements and provisional pricing agreements	Derivative assets	37.9	26.8
Amounts due to related parties	Partnership distribution payable	(44.2)	(8.7)
Amounts due to related parties	Other current liabilities	(12.3)	—
Amounts due to related parties	Other liabilities	(41.4)	—
Net amounts due from related parties		$ 8.1	$ 65.0

Certain supply agreements with one U.S. Iron Ore customer provide for supplemental revenue or refunds to the customer based on the customer's average annual steel pricing or based on the average annual daily market price for hot-rolled coil steel at the time the product is consumed in the customer’s blast furnace. The supplemental pricing is characterized as a freestanding derivative. Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Table of Contents

NOTE 19 - EARNINGS PER SHARE

The following table summarizes the computation of basic and diluted earnings (loss) per share:

	(In Millions, Except Per Share Amounts) Year Ended December 31,		
	2017	2016	2015
Income from Continuing Operations	$381.8	$219.2	$143.7
Loss (Income) from Continuing Operations attributable to Noncontrolling Interest	3.9	(25.2)	(8.6)
Net Income from Continuing Operations attributable to Cliffs shareholders	$385.7	$194.0	$135.1
Loss from Discontinued Operations, net of tax	(18.7)	(19.9)	(884.4)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$367.0	$174.1	$(749.3)
PREFERRED STOCK DIVIDENDS	—	—	(38.4)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS COMMON SHAREHOLDERS	$367.0	$174.1	$(787.7)
Weighted Average Number of Shares:			
Basic	288.4	197.7	153.2
Employee Stock Plans	4.6	2.4	0.4
Diluted	293.0	200.1	153.6
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Basic:			
Continuing operations	$1.34	$0.98	$0.63
Discontinued operations	(0.06)	(0.10)	(5.77)
	$1.28	$0.88	$(5.14)
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Diluted:			
Continuing operations	$1.32	$0.97	$0.63
Discontinued operations	(0.06)	(0.10)	(5.76)
	$1.26	$0.87	$(5.13)

The common share equivalents for the $316.25 million 1.50% 2025 Convertible Senior Notes that were issued in the fourth quarter of 2017 were not included in the computation of diluted earnings per common share as we have the ability and intent, both currently and in the future, to settle these in cash. The diluted earnings per share calculation excludes 25.3 million depositary shares that were anti-dilutive for the year ended December 31, 2015. Refer to NOTE 5 - DEBT AND CREDIT FACILITIES for further information.

150

Table of Contents

NOTE 20 - COMMITMENTS AND CONTINGENCIES
Contingencies
Litigation
We are currently the subject of, or party to, various claims and legal proceedings incidental to our operations. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material effect on our financial position, results of operations or cash flows. However, these claims and legal proceedings are subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, additional funding requirements or an injunction. If an unfavorable ruling were to occur, there exists the possibility of a material impact on the financial position and results of operations for the period in which the ruling occurs or future periods. However, we do not believe that any pending claims or legal proceedings will result in a material liability in relation to our consolidated financial statements.
Currently, we have recorded a liability in the Statements of Consolidated Financial Position related to the following legal matters:
Michigan Electricity Matters. On February 19, 2015, in connection with various proceedings before FERC with respect to certain cost allocations for continued operation of the Presque Isle Power Plant in Marquette, Michigan, FERC issued an order directing MISO to submit a revised methodology for allocating SSR costs that identified the load serving entities that require the operation of SSR units at the power plant for reliability purposes. On September 17, 2015, FERC issued an order conditionally approving MISO’s revised allocation methodology. On September 22, 2016, FERC denied requests for rehearing of the February 19 order, rejecting arguments that FERC did not have the authority to order refunds in a cost allocation case and to impose retroactive surcharges to effectuate such refunds. FERC, however, suspended any refunds and surcharges pending its review of a July 25, 2016 ALJ initial decision on the appropriate amount of SSR compensation. On November 8, 2016, Tilden and Empire, along with various Michigan-aligned parties, filed petitions for review of FERC’s order regarding allocation and non-cost SSR issues with the U.S. Court of Appeals for the D.C. Circuit. On January 27, 2017, Tilden, Empire and other appellants filed a motion to terminate further abeyance of briefing so that cost allocation issues could be heard at the Court of Appeals, which motion was granted on April 4, 2017. Should retroactive surcharges be permitted, our current estimate of the potential liability to the Empire and Tilden mines is $12.3 million, based on FERC's October 19, 2017 Order reviewing the July 25, 2016 ALJ initial decision. We will continue to vigorously challenge the retroactive imposition of any SSR costs before the U.S. Court of Appeals for the D.C. Circuit. As of December 31, 2017 and December 31, 2016, $12.3 million and $13.6 million, respectively, is included in our Statements of Consolidated Financial Position as part of Accrued expenses.
CCAA Proceedings
Effective January 27, 2015, following the commencement of CCAA proceedings for the Bloom Lake Group, we deconsolidated the Bloom Lake Group and certain other wholly-owned subsidiaries comprising substantially all of our Canadian operations. Additionally, on May 20, 2015, the Wabush Group commenced CCAA proceedings which resulted in the deconsolidation of the remaining Wabush Group entities that were not previously deconsolidated. As a result of this action, the CCAA protection granted to the Bloom Lake Group was extended to include the Wabush Group to facilitate the reorganization of each of their businesses and operations.
Prior to the deconsolidations, certain of our wholly-owned subsidiaries made loans to the Canadian Entities for the purpose of funding their operations and had accounts receivable generated in the ordinary course of business. The loans, corresponding interest and the accounts receivable were considered intercompany transactions and eliminated in our consolidated financial statements. Since the deconsolidations, the loans, associated interest and accounts receivable are considered related party transactions and have been recognized in our consolidated financial statements at their estimated fair value of $51.6 million and $48.6 million classified as Loans to and accounts receivables from the Canadian Entities in the Statements of Consolidated Financial Position at December 31, 2017 and 2016,

respectively.

As of December 31, 2017, CCAA proceedings are ongoing and the majority of the assets of each of the Bloom Lake Group and the Wabush Group have been liquidated. The Monitor appointed by the court in the CCAA proceedings for the Bloom Lake Group and the Wabush Group has conducted a claims process pursuant to which creditors have filed claims against the Bloom Lake Group and the Wabush Group. The Monitor is reviewing all claims filed as part of this claims process. Currently, there is uncertainty as to the amount of the distribution that will be made to the creditors

151

Table of Contents

of the Bloom Lake Group and the Wabush Group, including, if any, to us, and whether we could be held liable for claims that may be asserted by or on behalf of the Bloom Lake Group or the Wabush Group or by their respective representatives against non-debtor affiliates of the Bloom Lake Group and the Wabush Group.
The net proceeds of sale of the assets of the Bloom Lake Group and the Wabush Group are currently being held by the Monitor. Certain of these funds will be utilized to fund the accrued and ongoing costs of the CCAA proceedings and the remaining funds will be available for distribution to the creditors of the Bloom Lake Group and the Wabush Group.
During 2017, we became aware that it was probable the Monitor will assert a preference claim against the Company and/or certain of its affiliates. Given that it is probable the claim will be asserted by the Monitor, we have recorded an estimated liability of $55.6 million, which includes the value of our related-party claims against the Bloom Lake Group and the Wabush Group, classified as Contingent claims in the Statements of Consolidated Financial Position as of December 31, 2017 and included within Loss from Discontinued Operations, net of tax in the Statements of Consolidated Operations for the year ended December 31, 2017. Should the Monitor proceed to assert the claim, we believe the Monitor will demand an amount in excess of the value of our related-party claims against the Bloom Lake Group and the Wabush Group. Thus, it is possible that a change in the estimated liability may occur in the future. We deny liability for any amount and will vigorously defend such claim.
We previously recorded liabilities of $37.2 million related to guarantees for certain environmental obligations of the Canadian Entities, classified as Other liabilities in the Statements of Consolidated Financial Position as of December 31, 2016. During 2017, the Wabush Scully Mine was sold as part of the ongoing CCAA proceedings for the Wabush Group. As part of this transaction, we were required to fund the buyer's financial assurance shortfall of $7.7 million in order to complete the conveyance of the environmental remediation obligations to the buyer, which released us from our guarantees and resulted in a net gain of $31.4 million included in Loss from Discontinued Operations, net of tax in the Statements of Consolidated Operations.
Environmental Matters
We had environmental liabilities of $2.9 million and $2.8 million at December 31, 2017 and 2016, respectively, including obligations for known environmental remediation exposures at active and closed mining operations and other sites. These amounts have been recognized based on the estimated cost of investigation and remediation at each site, and include site studies, design and implementation of remediation plans, legal and consulting fees, and post-remediation monitoring and related activities. Future expenditures are not discounted unless the amount and timing of the cash disbursements are readily known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed. The amount of our ultimate liability with respect to these matters may be affected by several uncertainties, primarily the ultimate cost of required remediation and the extent to which other responsible parties contribute. Refer to NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS for further information.
Tax Matters
The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. Refer to NOTE 9 - INCOME TAXES for further information.
NOTE 21 - SUBSEQUENT EVENTS
We have evaluated subsequent events through the date of financial issuance.

Table of Contents

NOTE 22 - QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The sum of quarterly EPS may not equal EPS for the year due to discrete quarterly calculations.

	(In Millions, Except Per Share Amounts)				
	2017				
	Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$461.6	$569.3	$698.4	$600.9	$2,330.2
Sales margin	95.7	145.1	160.2	100.7	501.7
Income (Loss) from Continuing Operations	$(30.3)	$76.5	$20.6	$315.0	$381.8
Loss from Continuing Operations attributable to Noncontrolling Interest	1.7	1.7	0.5	—	3.9
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	(28.6)	78.2	21.1	315.0	385.7
Income (Loss) from Discontinued Operations, net of tax	0.5	(46.4)	32.3	(5.1)	(18.7)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$(28.1)	$31.8	$53.4	$309.9	$367.0
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Basic:					
Continuing Operations	$(0.11)	$0.26	$0.07	$1.06	$1.34
Discontinued Operations	—	(0.16)	0.11	(0.02)	(0.06)
	$(0.11)	$0.10	$0.18	$1.04	$1.28
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Diluted:					
Continuing Operations	$(0.11)	$0.26	$0.07	$1.05	$1.32
Discontinued Operations	—	(0.15)	0.11	(0.02)	(0.06)
	$(0.11)	$0.11	$0.18	$1.03	$1.26

The diluted earnings per share calculation for the first quarter of 2017 excludes equity plan awards of 4.6 million that were anti-dilutive. There was no anti-dilution in the second, third or fourth quarter of 2017.

153

Table of Contents

	(In Millions, Except Per Share Amounts) 2016 Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$305.5	$496.2	$553.3	$754.0	$2,109.0
Sales margin	30.9	91.5	85.4	181.5	389.3
Income (Loss) from Continuing Operations	$114.3	$29.9	$(25.1)	$100.1	$219.2
Loss (Income) from Continuing Operations attributable to Noncontrolling Interest	(8.8)	(16.7)	2.0	(1.7)	(25.2)
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	$105.5	$13.2	$(23.1)	$98.4	$194.0
Income (Loss) from Discontinued Operations, net of tax	2.5	(0.4)	(2.7)	(19.3)	(19.9)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS COMMON SHAREHOLDERS	$108.0	$12.8	$(25.8)	$79.1	$174.1
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Basic:					
Continuing Operations	$0.61	$0.07	$(0.11)	$0.43	$0.98
Discontinued Operations	0.01	—	(0.01)	(0.08)	(0.10)
	$0.62	$0.07	$(0.12)	$0.35	$0.88
Earnings (Loss) per Common Share Attributable to Cliffs Common Shareholders - Diluted:					
Continuing Operations	$0.61	$0.07	$(0.11)	$0.42	$0.97
Discontinued Operations	0.01	—	(0.01)	(0.08)	(0.10)
	$0.62	$0.07	$(0.12)	$0.34	$0.87

The diluted earnings per share calculation for the third quarter of 2016 excludes equity plan awards of 3.0 million that were anti-dilutive. There was no anti-dilution in the first, second or fourth quarter of 2016.

Table of Contents

NOTE 23 - SUPPLEMENTARY GUARANTOR INFORMATION

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X, Rule 3-10, “Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered.” Certain of our subsidiaries have guaranteed the obligations under the $1.075 billion 5.75% 2025 Senior Notes issued by Cleveland-Cliffs Inc. See NOTE 5 - DEBT AND CREDIT FACILITIES for further information.

The following presents the condensed consolidating financial information for: (i) the Parent Company and the Issuer of the guaranteed obligations (Cleveland-Cliffs Inc.); (ii) the Guarantor subsidiaries, on a combined basis; (iii) the non-guarantor subsidiaries, on a combined basis; (iv) consolidating eliminations; and (v) Cleveland-Cliffs Inc. and Subsidiaries on a consolidated basis. Each Guarantor subsidiary is 100% owned by the Parent Company as of December 31, 2017. The condensed consolidating financial information is presented as if the Guarantor structure at December 31, 2017 existed for all years presented. As a result, the Guarantor subsidiaries within the condensed consolidating financial information as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 include results of subsidiaries that were previously less than wholly-owned and were historically non-guarantors until 100% ownership was obtained.

Each of the Guarantor subsidiaries fully and unconditionally guarantee, on a joint and several basis, the obligations of Cleveland-Cliffs Inc. under the $1.075 billion 5.75% 2025 Senior Notes. The guarantee of a Guarantor subsidiary will be automatically and unconditionally released and discharged, and such Guarantor subsidiary’s obligations under the guarantee and the related indenture governing the $1.075 billion 5.75% 2025 Senior Notes (the “Indenture”) will be automatically and unconditionally released and discharged, upon:

(a) any sale, exchange, transfer or disposition of such Guarantor subsidiary (by merger, consolidation, or the sale of) or the capital stock of such Guarantor subsidiary after which the applicable Guarantor subsidiary is no longer a subsidiary of the Company or the sale of all or substantially all of such Guarantor subsidiary’s assets (other than by lease);

(b) upon designation of any Guarantor subsidiary as an “excluded subsidiary” (as defined in the Indenture); and

(c) upon defeasance or satisfaction and discharge of the Indenture.

Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements. The accompanying condensed consolidating financial information has been presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the subsidiaries’ cumulative results of operations, capital contributions and distributions, and other changes in equity. Elimination entries include consolidating and eliminating entries for investments in subsidiaries, and intra-entity activity and balances.

Table of Contents

Condensed Consolidating Statement of Financial Position
As of December 31, 2017
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 948.9	$ 2.1	$ 56.7	$ —	$ 1,007.7
Accounts receivable, net	4.5	102.9	33.9	(0.7)	140.6
Inventories	—	138.4	45.0	—	183.4
Supplies and other inventories	—	88.8	5.1	—	93.9
Derivative assets	—	37.9	1.5	—	39.4
Loans to and accounts receivables from the Canadian Entities	44.7	6.9	—	—	51.6
Other current assets	16.4	7.5	4.1	—	28.0
TOTAL CURRENT ASSETS	1,014.5	384.5	146.3	(0.7)	1,544.6
PROPERTY, PLANT AND EQUIPMENT, NET	17.5	959.0	74.5	—	1,051.0
INCOME TAX RECEIVABLE	235.3	—	—	—	235.3
INVESTMENT IN SUBSIDIARIES	1,024.3	29.9	—	(1,054.2)	—
LONG-TERM INTERCOMPANY NOTES	—	—	242.0	(242.0)	—
OTHER NON-CURRENT ASSETS	7.8	93.0	21.7	—	122.5
TOTAL ASSETS	$ 2,299.4	$ 1,466.4	$ 484.5	$ (1,296.9)	$ 2,953.4
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 7.1	$ 89.7	$ 31.6	$ (0.7)	$ 127.7
Accrued employment costs	13.7	38.9	3.5	—	56.1
State and local taxes payable	—	30.0	0.2	—	30.2
Accrued expenses	5.3	13.2	15.2	—	33.7
Accrued interest	31.4	—	—	—	31.4
Accrued royalties	—	7.8	9.5	—	17.3
Contingent claims	55.6	—	—	—	55.6
Partnership distribution payable	—	44.2	—	—	44.2
Other current liabilities	2.1	33.5	20.4	—	56.0
TOTAL CURRENT LIABILITIES	115.2	257.3	80.4	(0.7)	452.2
POSTEMPLOYMENT BENEFIT LIABILITIES					
Pensions	59.2	403.6	(240.0)	—	222.8
Other postretirement benefits	7.2	27.0	0.7	—	34.9
TOTAL POSTEMPLOYMENT BENEFIT LIABILITIES	66.4	430.6	(239.3)	—	257.7
ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS	—	140.6	55.9	—	196.5
LONG-TERM DEBT	2,304.2	—	—	—	2,304.2
LONG-TERM INTERCOMPANY NOTES	242.0	—	—	(242.0)	—
OTHER LIABILITIES	15.7	147.2	24.0	—	186.9
TOTAL LIABILITIES	2,743.5	975.7	(79.0)	(242.7)	3,397.5
COMMITMENTS AND CONTINGENCIES					
EQUITY					
TOTAL CLIFFS SHAREHOLDERS' DEFICIT	(444.1)	490.7	563.3	(1,054.2)	(444.3)
NONCONTROLLING INTEREST	—	—	0.2	—	0.2

TOTAL DEFICIT	(444.1)	490.7	563.5	(1,054.2)	(444.1)
TOTAL LIABILITIES AND DEFICIT	$ 2,299.4	$ 1,466.4	$ 484.5	$ (1,296.9)	$ 2,953.4

156

Table of Contents

Condensed Consolidating Statement of Financial Position
As of December 31, 2016
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 283.4	$ 2.5	$ 37.5	$ —	$ 323.4
Accounts receivable, net	4.5	59.3	65.7	(0.8)	128.7
Inventories	—	137.0	41.4	—	178.4
Supplies and other inventories	—	86.4	5.0	—	91.4
Derivative assets	—	31.7	1.4	—	33.1
Loans to and accounts receivables from the Canadian Entities	41.7	6.9	—	—	48.6
Other current assets	8.6	8.2	4.2	—	21.0
TOTAL CURRENT ASSETS	338.2	332.0	155.2	(0.8)	824.6
PROPERTY, PLANT AND EQUIPMENT, NET	21.4	937.7	25.3	—	984.4
INVESTMENT IN SUBSIDIARIES	882.4	24.6	—	(907.0)	—
LONG-TERM INTERCOMPANY NOTES	—	—	197.0	(197.0)	—
OTHER NON-CURRENT ASSETS	11.0	94.1	9.8	—	114.9
TOTAL ASSETS	$ 1,253.0	$ 1,388.4	$ 387.3	$ (1,104.8)	$ 1,923.9
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 1.6	$ 92.6	$ 14.2	$ (0.8)	$ 107.6
Accrued employment costs	15.6	34.6	5.9	—	56.1
State and local taxes payable	—	28.1	0.2	—	28.3
Accrued expenses	7.6	14.4	19.1	—	41.1
Accrued interest	40.2	—	—	—	40.2
Accrued royalties	—	13.0	13.2	—	26.2
Partnership distribution payable	—	8.7	—	—	8.7
Other current liabilities	23.0	35.3	24.6	—	82.9
TOTAL CURRENT LIABILITIES	88.0	226.7	77.2	(0.8)	391.1
POSTEMPLOYMENT BENEFIT LIABILITIES					
Pensions	56.9	397.4	(208.6)	—	245.7
Other postretirement benefits	7.6	26.5	0.7	—	34.8
TOTAL POSTEMPLOYMENT BENEFIT LIABILITIES	64.5	423.9	(207.9)	—	280.5
ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS	—	153.9	40.0	—	193.9
LONG-TERM DEBT	2,175.1	—	—	—	2,175.1
LONG-TERM INTERCOMPANY NOTES	197.0	—	—	(197.0)	—
OTHER LIABILITIES	58.9	118.8	36.1	—	213.8
TOTAL LIABILITIES	2,583.5	923.3	(54.6)	(197.8)	3,254.4
COMMITMENTS AND CONTINGENCIES					
EQUITY					
TOTAL CLIFFS SHAREHOLDERS' DEFICIT	(1,330.5)	331.5	441.7	(907.0)	(1,464.3)
NONCONTROLLING INTEREST	—	133.6	0.2	—	133.8
TOTAL DEFICIT	(1,330.5)	465.1	441.9	(907.0)	(1,330.5)
TOTAL LIABILITIES AND DEFICIT	$ 1,253.0	$ 1,388.4	$ 387.3	$ (1,104.8)	$ 1,923.9

157

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Year Ended December 31, 2017
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUES FROM PRODUCT SALES AND SERVICES					
Product	$ —	$ 1,644.6	$ 444.6	$ —	$ 2,089.2
Freight and venture partners' cost reimbursements	—	221.4	19.6	—	241.0
	—	1,866.0	464.2	—	2,330.2
COST OF GOODS SOLD AND OPERATING EXPENSES	—	(1,400.6)	(427.9)	—	(1,828.5)
SALES MARGIN	—	465.4	36.3	—	501.7
OTHER OPERATING INCOME (EXPENSE)					
Selling, general and administrative expenses	(81.4)	(24.7)	0.3	—	(105.8)
Miscellaneous - net	(2.2)	12.3	17.6	—	27.7
	(83.6)	(12.4)	17.9	—	(78.1)
OPERATING INCOME (LOSS)	(83.6)	453.0	54.2	—	423.6
OTHER INCOME (EXPENSE)					
Interest expense, net	(126.8)	(1.0)	(4.2)	—	(132.0)
Loss on extinguishment/restructuring of debt	(165.4)	—	—	—	(165.4)
Other non-operating income	0.1	3.1	—	—	3.2
	(292.1)	2.1	(4.2)	—	(294.2)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(375.7)	455.1	50.0	—	129.4
INCOME TAX BENEFIT (EXPENSE)	251.4	1.3	(0.3)	—	252.4
EQUITY IN INCOME OF SUBSIDIARIES	512.6	11.8	—	(524.4)	—
INCOME FROM CONTINUING OPERATIONS	388.3	468.2	49.7	(524.4)	381.8
LOSS (INCOME) FROM DISCONTINUED OPERATIONS, net of tax	(21.3)	1.7	0.9	—	(18.7)
NET INCOME	367.0	469.9	50.6	(524.4)	363.1
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	—	3.9	—	—	3.9
NET INCOME ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ 367.0	$ 473.8	$ 50.6	$ (524.4)	$ 367.0
OTHER COMPREHENSIVE INCOME (LOSS)	(4.0)	12.8	(5.2)	(7.6)	(4.0)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ 363.0	$ 486.6	$ 45.4	$ (532.0)	$ 363.0

158

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Year Ended December 31, 2016
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUES FROM PRODUCT SALES AND SERVICES					
Product	$ —	$ 1,379.6	$ 533.9	$ —	$ 1,913.5
Freight and venture partners' cost reimbursements	—	174.9	20.6	—	195.5
	—	1,554.5	554.5	—	2,109.0
COST OF GOODS SOLD AND OPERATING EXPENSES	—	(1,278.8)	(440.9)	—	(1,719.7)
SALES MARGIN	—	275.7	113.6	—	389.3
OTHER OPERATING INCOME (EXPENSE)					
Selling, general and administrative expenses	(97.9)	(20.8)	0.9	—	(117.8)
Miscellaneous - net	(5.6)	(10.8)	(14.3)	—	(30.7)
	(103.5)	(31.6)	(13.4)	—	(148.5)
OPERATING INCOME (LOSS)	(103.5)	244.1	100.2	—	240.8
OTHER INCOME (EXPENSE)					
Interest expense, net	(195.0)	0.6	(6.1)	—	(200.5)
Gain on extinguishment/restructuring of debt	166.3	—	—	—	166.3
Other non-operating income (expense)	(0.5)	0.4	0.5	—	0.4
	(29.2)	1.0	(5.6)	—	(33.8)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(132.7)	245.1	94.6	—	207.0
INCOME TAX BENEFIT	4.3	3.0	4.9	—	12.2
EQUITY IN INCOME OF SUBSIDIARIES	319.6	13.7	—	(333.3)	—
INCOME FROM CONTINUING OPERATIONS	191.2	261.8	99.5	(333.3)	219.2
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	(17.1)	2.6	(5.4)	—	(19.9)
NET INCOME	174.1	264.4	94.1	(333.3)	199.3
INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	—	(25.2)	—	—	(25.2)
NET INCOME ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ 174.1	$ 239.2	$ 94.1	$ (333.3)	$ 174.1
OTHER COMPREHENSIVE INCOME (LOSS)	(3.3)	(20.7)	13.8	6.9	(3.3)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ 170.8	$ 218.5	$ 107.9	$ (326.4)	$ 170.8

159

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
For the Year Ended December 31, 2015
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
REVENUES FROM PRODUCT SALES AND SERVICES					
Product	$ —	$ 1,368.1	$ 464.3	$ —	$ 1,832.4
Freight and venture partners' cost reimbursements	—	157.3	23.6	—	180.9
	—	1,525.4	487.9	—	2,013.3
COST OF GOODS SOLD AND OPERATING EXPENSES	—	(1,298.3)	(478.5)	—	(1,776.8)
SALES MARGIN	—	227.1	9.4	—	236.5
OTHER OPERATING INCOME (EXPENSE)					
Selling, general and administrative expenses	(88.5)	(21.2)	(0.3)	—	(110.0)
Miscellaneous - net	7.7	(3.0)	20.1	—	24.8
	(80.8)	(24.2)	19.8	—	(85.2)
OPERATING INCOME (LOSS)	(80.8)	202.9	29.2	—	151.3
OTHER INCOME (EXPENSE)					
Interest expense, net	(221.4)	(0.1)	(7.0)	—	(228.5)
Gain on extinguishment/restructuring of debt	392.9	—	—	—	392.9
Other non-operating income (expense)	(114.6)	1.2	110.8	—	(2.6)
	56.9	1.1	103.8	—	161.8
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY LOSS FROM VENTURES	(23.9)	204.0	133.0	—	313.1
INCOME TAX BENEFIT (EXPENSE)	(19.1)	(176.3)	26.1	—	(169.3)
EQUITY IN INCOME (LOSS) OF SUBSIDIARIES	(501.2)	12.9	—	488.3	—
EQUITY LOSS FROM VENTURES, net of tax	—	—	(0.1)	—	(0.1)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(544.2)	40.6	159.0	488.3	143.7
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	(205.1)	(762.2)	75.2	—	(892.1)
NET INCOME (LOSS)	(749.3)	(721.6)	234.2	488.3	(748.4)
LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTEREST	—	(8.6)	7.7	—	(0.9)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ (749.3)	$ (730.2)	$ 241.9	$ 488.3	$ (749.3)
PREFERRED STOCK DIVIDENDS	(38.4)	—	—	—	(38.4)
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS COMMON SHAREHOLDERS	$ (787.7)	$ (730.2)	$ 241.9	$ 488.3	$ (787.7)
OTHER COMPREHENSIVE INCOME	266.2	20.0	176.4	(196.4)	266.2
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$ (521.5)	$ (710.2)	$ 418.3	$ 291.9	$ (521.5)

Table of Contents

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2017
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided (used) by operating activities	$ (166.8)	$ 430.4	$ 74.5	$ —	$ 338.1
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(3.4)	(80.6)	(67.7)	—	(151.7)
Intercompany investing	225.7	(7.4)	(45.0)	(173.3)	—
Other investing activities	(7.7)	3.4	—	—	(4.3)
Net cash provided (used) in investing activities	214.6	(84.6)	(112.7)	(173.3)	(156.0)
FINANCING ACTIVITIES					
Net proceeds from issuance of common shares	661.3	—	—	—	661.3
Proceeds from issuance of debt	1,771.5	—	—	—	1,771.5
Debt issuance costs	(28.6)	—	—	—	(28.6)
Repurchase of debt	(1,720.7)	—	—	—	(1,720.7)
Acquisition of noncontrolling interest	(105.0)	—	—	—	(105.0)
Distributions of partnership equity	—	(52.9)	—	—	(52.9)
Intercompany financing	45.0	(288.8)	70.5	173.3	—
Other financing activities	(5.8)	(4.5)	(16.4)	—	(26.7)
Net cash provided (used) by financing activities	617.7	(346.2)	54.1	173.3	498.9
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	3.3	—	3.3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	665.5	(0.4)	19.2	—	684.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	283.4	2.5	37.5	—	323.4
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 948.9	$ 2.1	$ 56.7	$ —	$ 1,007.7

161

Table of Contents

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2016
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided (used) by operating activities	$ (275.7)	$ 462.9	$ 115.8	$ —	$ 303.0
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(6.2)	(60.0)	(2.9)	—	(69.1)
Intercompany investing	356.6	(3.3)	(117.0)	(236.3)	—
Other investing activities	0.4	10.8	—	—	11.2
Net cash provided (used) by investing activities	350.8	(52.5)	(119.9)	(236.3)	(57.9)
FINANCING ACTIVITIES					
Net proceeds from issuance of common shares	287.4	—	—	—	287.4
Debt issuance costs	(5.2)	—	—	—	(5.2)
Borrowings under credit facilities	105.0	—	—	—	105.0
Repayments under credit facilities	(105.0)	—	—	—	(105.0)
Repayments on equipment loans	(95.6)	—	—	—	(95.6)
Repurchase of debt	(305.4)	—	—	—	(305.4)
Distributions of partnership equity	—	(59.9)	—	—	(59.9)
Intercompany financing	117.0	(339.9)	(13.4)	236.3	—
Other financing activities	(0.6)	(9.9)	(17.2)	—	(27.7)
Net cash used by financing activities	(2.4)	(409.7)	(30.6)	236.3	(206.4)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(0.5)	—	(0.5)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72.7	0.7	(35.2)	—	38.2
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	210.7	1.8	72.7	—	285.2
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 283.4	$ 2.5	$ 37.5	$ —	$ 323.4

162

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2015
(In Millions)

	Cleveland-Cliffs Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided (used) by operating activities	$ 65.6	$ (23.7)	$ (4.0)	$ —	$ 37.9
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(6.9)	(68.2)	(5.7)	—	(80.8)
Intercompany investments	(205.8)	(2.9)	(80.0)	288.7	—
Other investing activities	—	(27.6)	5.2	—	(22.4)
Net cash used by investing activities	(212.7)	(98.7)	(80.5)	288.7	(103.2)
FINANCING ACTIVITIES					
Proceeds from issuance of debt	503.5	—	—	—	503.5
Debt issuance costs	(33.6)	—	—	—	(33.6)
Borrowings under credit facilities	296.8	—	13.0	—	309.8
Repayments on credit facilities	(296.8)	—	(13.0)	—	(309.8)
Repayments on equipment loans	(43.6)	—	(1.8)	—	(45.4)
Repurchase of debt	(225.9)	—	—	—	(225.9)
Distributions of partnership equity	—	(40.6)	—	—	(40.6)
Preferred stock dividends	(51.2)	—	—	—	(51.2)
Intercompany financing	80.0	188.5	20.2	(288.7)	—
Other financing activities	(5.0)	(25.0)	(15.8)	—	(45.8)
Net cash provided by financing activities	224.2	122.9	2.6	(288.7)	61.0
EFFECT OF EXCHANGE RATE CHANGES ON CASH	—	—	(1.4)	—	(1.4)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	77.1	0.5	(83.3)	—	(5.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133.6	1.3	156.0	—	290.9
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 210.7	$ 1.8	$ 72.7	$ —	$ 285.2

163

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cleveland-Cliffs Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of consolidated financial position of Cleveland-Cliffs Inc. (formerly Cliffs Natural Resources Inc.) and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related statements of consolidated operations, comprehensive income (loss), cash flows, and changes in equity, for each of the three years in the period ended December 31, 2017, and the related notes and the financial schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2018, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP
Cleveland, Ohio
February 14, 2018

We have served as the Company's auditor since 2004.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cleveland-Cliffs Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Cleveland-Cliffs Inc. and subsidiaries (the "Company") as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2017, of the Company and our report dated February 14, 2018, expressed an unqualified opinion on those financial statements and financial statement schedule.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
Cleveland, Ohio
February 14, 2018

Table of Contents

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our President and Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Table of Contents

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined under Rule 13a-15(f) promulgated under the Exchange Act.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the Company's internal control over financial reporting as of December 31, 2017 using the framework specified in Internal Control - Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report that appears herein.

February 14, 2018

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting or in other factors that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required to be furnished by this Item will be set forth in our definitive proxy statement for the 2018 Annual Meeting of Shareholders (the "Proxy Statement") under the headings "Board Meetings and Committees - Audit Committee", "Code of Business Conduct and Ethics", "Independence and Related Party Transactions", "Information Concerning Director Nominees" and "Section 16(a) Beneficial Ownership Reporting Compliance", and is incorporated herein by reference and made a part hereof from the Proxy Statement. The information regarding executive officers required by this Item is set forth in Part I - Item 1. Business hereof under the heading "Executive Officers of the Registrant", which information is incorporated herein by reference and made a part hereof.

Item 11. Executive Compensation

The information required to be furnished by this Item will be set forth in our Proxy Statement under the headings "Director Compensation", "Compensation Committee Report", "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required to be furnished by this Item regarding "Securities Authorized for Issuance Under Equity Compensation Plans", "Related Stockholder Matters" and "Security Ownership" will be set forth in the Proxy Statement under the headings "Independence and Related Party Transactions", "Ownership of Equity Securities of the Company" and "Equity Compensation Plan Information", respectively, and is incorporated herein by reference and made part hereof from the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be furnished by this Item will be set forth in the Proxy Statement under the heading "Independence and Related Party Transactions" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required to be furnished by this Item will be set forth in the Proxy Statement under the heading "Ratification of Independent Registered Public Accounting Firm" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Table of Contents

PART IV
Item 15. Exhibits and Financial Statement Schedules
(a)(1) and (2) - List of Financial Statements and Financial Statement Schedules.
The following consolidated financial statements of Cleveland-Cliffs Inc. are included at Item 8. Financial Statements and Supplementary Data above:
•Statements of Consolidated Financial Position - December 31, 2017 and 2016
•Statements of Consolidated Operations - Years ended December 31, 2017, 2016 and 2015
•Statements of Consolidated Comprehensive Income (Loss) - Years ended December 31, 2017, 2016 and 2015
•Statements of Consolidated Cash Flows - Years ended December 31, 2017, 2016 and 2015
•Statements of Consolidated Changes in Equity - Years ended December 31, 2017, 2016 and 2015
•Notes to Consolidated Financial Statements
The following consolidated financial statement schedule of Cleveland-Cliffs Inc. is included herein in Item 15(d) and attached as Exhibit 99(a):
Schedule II - Valuation and Qualifying Accounts
All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.
(3) List of Exhibits
All documents referenced below have been filed pursuant to the Securities Exchange Act of 1934 by Cleveland-Cliffs Inc., file number 1-09844, unless otherwise indicated.

Exhibit Number	Exhibit
	Plan of purchase, sale, reorganization, arrangement, liquidation or succession
2.1	***Unit Purchase Agreement, dated as of December 22, 2015, by and among Cliffs Natural Resources Inc., CLF PinnOak LLC and Seneca Coal Resources, LLC (filed as Exhibit 2.3 to Cliffs' Form 10-K for the period ended December 31, 2015 and incorporated herein by reference)
	Articles of Incorporation and By-Laws of Cleveland-Cliffs Inc.
3.1	Third Amended Articles of Incorporation of Cliffs (as filed with the Secretary of State of the State of Ohio on May 13, 2013 (filed as Exhibit 3.1 to Cliffs' Form 8-K on May 13, 2013 and incorporated herein by reference)
3.2	Certificate of Amendment to Third Amended Articles of Incorporation of Cliffs (as filed with the Secretary of State of the State of Ohio on April 26, 2017 (filed as Exhibit 3.1 to Cliffs' Form 8-K on April 27, 2017 and incorporated herein by reference)
3.3	Certificate of Amendment to Third Amended Articles of Incorporation of Cliffs, as amended (as filed with the Secretary of State of the State of Ohio on August 15, 2017 (filed as Exhibit 3.1 to Cliffs' Form 8-K on August 17, 2017 and incorporated herein by reference)
3.4	Regulations of Cliffs (filed as Exhibit 3.2 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
	Instruments defining rights of security holders, including indentures
4.1	Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010 (filed as Exhibit 4.3 to Cliffs' Registration Statement on Form S-3 No. 333-186617 on February 12, 2013 and incorporated herein by reference)
4.2	Form of 5.90% Notes due 2020 First Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010, including Form of 5.90% Notes due 2020 (filed as Exhibit 4.2 to Cliffs' Form 8-K on March 16, 2010 and incorporated herein by reference)

Table of Contents

4.3	Form of 4.80% Notes due 2020 Second Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 4.80% Notes due 2020 (filed as Exhibit 4.3 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)
4.4	Form of 6.25% Notes due 2040 Third Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 6.25% Notes due 2040 (filed as Exhibit 4.4 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)
4.5	Form of 4.875% Notes due 2021 Fourth Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 23, 2011, including Form of 4.875% Notes due 2021 (filed as Exhibit 4.1 to Cliffs' Form 8-K on March 23, 2011 and incorporated herein by reference)
4.6	Fifth Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 31, 2011 (filed as Exhibit 4(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)
4.7	Seventh Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated May 7, 2013 (as filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended June 30, 2013 and incorporated herein by reference)
4.8	Eighth Supplemental Indenture, dated as of December 19, 2017, by and between Cleveland-Cliffs Inc. and U.S. Bank National Association, as trustee, including Form of 1.50% Convertible Senior Notes due 2025 (filed as Exhibit 4.2 to Cliffs' Form 8-K on December 19, 2017 and incorporated herein by reference)
4.9	Indenture, dated as of February 27, 2017, among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 5.75% Senior Notes due 2025 (filed as Exhibit 4.1 to Cliffs' Form 8-K on August 7, 2017 and incorporated herein by reference)
4.10	First Supplemental Indenture, dated as of August 7, 2017, among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 5.75% Senior Notes due 2025 (filed as Exhibit 4.2 to Cliffs' Form 8-K filed on August 7, 2017 and incorporated herein by reference)
4.11	Second Supplemental Indenture, dated as of September 29, 2017, among Cliffs Empire II Inc. and Empire Iron Mining Partnership, as additional guarantors, Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.12	Third Supplemental Indenture, dated as of October 27, 2017, among Cliffs TIOP II, LLC, Marquette Range Coal Service Company and Tilden Mining Company L.C., as additional guarantors thereto, Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.13	Indenture, dated as of December 19, 2017, by and among Cleveland-Cliffs Inc., the guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 4.875% Senior Secured Notes due 2024 (filed as Exhibit 4.1 to Cliffs' Form 8-K filed on December 19, 2017 and incorporated herein by reference)
4.14	Registration Rights Agreement, dated as of February 27,2017, by and among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the several initial purchasers (filed as Exhibit 4.2 to Cliffs' Form 10-Q for the period ended March 31, 2017 and incorporated herein by reference)
4.15	Joinder to Registration Rights Agreement, dated as of August 7,2017, by and among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and Credit Suisse Securities (USA) LLC, as representative of the several initial purchasers (filed as Exhibit 4.3 to Cliffs' Form 8-K on August 7, 2017 and incorporated herein by reference)
4.16	Form of Common Share Certificate (filed as Exhibit 4.4 to Cliffs' Form 10-Q for the period ended September 30, 2017 and incorporated herein by reference)
	Material contracts
10.1	Syndicated Facility Agreement, dated as of March 30, 2015, by and among Bank of America, N.A., as Administrative Agent and Australian Security Trustee, the Lenders that are Parties hereto, as the Lenders, Cliffs Natural Resources Inc., as Parent and a Borrower, and the Subsidiaries of Parent Party hereto, as Borrowers (filed

	as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2015 and incorporated herein by reference)
10.2	First Amendment to Syndicated Facility Agreement, dated as of June 17, 2016, to that certain Syndicated Facility Agreement, dated as of March 30, 2015, by and among Bank of America, N.A., as Administrative Agent and Australian Security Trustee, the Lenders that are Parties hereto, as the Lenders, Cleveland-Cliffs Inc., as Parent and a Borrower, and the Subsidiaries of Parent Party hereto, as Borrowers (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended June 30, 2016 and incorporated herein by reference)
10.3	* Form of Change in Control Severance Agreement (covering newly hired officers) (filed as Exhibit 10.4 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)

170

Table of Contents

10.4	* Form of 2016 Change in Control Severance Agreement (filed as Exhibit 10.1 to Cliffs' 10-Q for the period ended September 30, 2016 and incorporated herein by reference)
10.5	* Cleveland-Cliffs Inc. 2012 Non-Qualified Deferred Compensation Plan (effective January 1, 2012) dated November 8, 2011 (filed as Exhibit 10.1 to Cliffs' Form 8-K on November 8, 2011 and incorporated herein by reference)
10.6	* Form of Indemnification Agreement between Cliffs Natural Resources Inc. and Directors (filed as Exhibit 10.5 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.7	* Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan (Amended and Restated as of December 31, 2008) (filed as Exhibit 10(nnn) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.8	* Cliffs Natural Resources Inc. Amended and Restated 2014 Nonemployee Directors' Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on May 2, 2016 and incorporated herein by reference)
10.9	* Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, Severance Pay Plan for Key Employees and certain executive agreements (filed as Exhibit 10.10 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.10	* Trust Agreement No. 1 Amendments to Exhibits, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.11 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.11	* First Amendment to Trust Agreement No. 1, effective September 10, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.12 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.12	* Second Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(y) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.13	* Third Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.15 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.14	* Amended and Restated Trust Agreement No. 2, effective as of October 15, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to Executive Agreements and Indemnification Agreements with the Company's Directors and certain Officers, the Company's Severance Pay Plan for Key Employees, and the Retention Plan for Salaried Employees (filed as Exhibit 10.14 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.15	* Second Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(aa) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.16	* Third Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.18 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.17	* Trust Agreement No. 5, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to certain deferred compensation agreements (filed as Exhibit 10.16 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.18	* First Amendment to Trust Agreement No. 5, dated as of May 12, 1989, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.17 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)

10.19	* Second Amendment to Trust Agreement No. 5, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.18 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)
10.20	* Third Amendment to Trust Agreement No. 5, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.21	* Fourth Amendment to Trust Agreement No. 5, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.20 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.22	* Fifth Amendment to Trust Agreement No. 5, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)

171

10.23	*Sixth Amendment to Trust Agreement No. 5 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(hh) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.24	*Seventh Amendment to Trust Agreement No. 5 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.26 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.25	* Trust Agreement No. 7, dated as of April 9, 1991, by and between Cliffs Natural Resources Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (filed as Exhibit 10.23 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.26	* First Amendment to Trust Agreement No. 7, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, dated as of March 9, 1992 (filed as Exhibit 10.24 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.27	* Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.25 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.28	* Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.26 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.29	* Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.27 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.30	* Amendment to Exhibits to Trust Agreement No. 7, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.28 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.31	* Sixth Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(oo) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.32	* Seventh Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.34 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.33	* Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan (filed as Exhibit 10.36 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.34	*First Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ww) to Cliffs' Form 10-K for the period ended February 26, 2009 and incorporated herein by reference)
10.35	* Second Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.45 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.36	*Severance Agreement and Release, by and between P. Kelly Tompkins and Cleveland-Cliffs Inc., effective December 31, 2017 (filed herewith)
10.37	* Letter Agreement, by and between Lourenco Goncalves and Cliffs Natural Resources Inc., signed as of September 11, 2014 (filed as Exhibit 10.1 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)

10.38	* Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan Summary, effective January 1, 2004 (filed as Exhibit 10.47 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.39	* Cliffs Natural Resources Inc. 2012 Executive Management Performance Incentive Plan effective March 13, 2012 (filed as Exhibit 10.3 to Cliffs' Form 8-K on May 14, 2012 and incorporated herein by reference)
10.40	* Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan effective January 1, 2017 (filed as Exhibit 10.2 to Cliffs' Form 8-K on April 27, 2017 and incorporated herein by reference)
10.41	* Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on August 4, 2014 and incorporated herein by reference)

172

10.42	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Non-Qualified Stock Option Award Memorandum (2014 Grant) and Stock Option Award Agreement (filed as Exhibit 10.2 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.43	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Unit Award Memorandum (2014 Grant) and Performance Unit Award Agreement (filed as Exhibit 10.3 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.44	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Non-Qualified Stock Option Award Memorandum (3-Year Vesting – January 2015 Grant) and Stock Option Award Agreement (filed as Exhibit 10.69 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.45	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Share Award Memorandum (3-Year Vesting – January 2015 Grant) and Performance Share Award Agreement (filed as Exhibit 10.71 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.46	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Share Award Memorandum (3 year Vesting – February 2015 Grant) and Restricted Share Unit Award Agreement (filed as Exhibit 10.73 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.47	* Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on May 21, 2015 and incorporated herein by reference)
10.48	* Form of Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan Restricted Stock Unit Award Memorandum (Vesting May 2018) and Restricted Stock Unit Award Agreement (filed as Exhibit 10.61 to Cliffs' Form 10-K for the period ended December 31, 2015 and incorporated herein by reference)
10.49	* Form of Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan Restricted Stock Unit Award Memorandum (Vesting December 31, 2018) and Restricted Stock Unit Award Agreement (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended March 31, 2016 and incorporated herein by reference)
10.50	* Form of Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan Cash Incentive Award Memorandum (TSR) (Vesting December 31, 2018) and Cash Incentive Award Agreement (TSR) (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2016 and incorporated herein by reference)
10.51	* Form of Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan Cash Incentive Award Memorandum (EBITDA) (January 1, 20XX - December 31, 20XX) and Cash Incentive Award Agreement (EBITDA) (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended March 31, 2016 and incorporated herein by reference)
10.52	* Form of Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan, as Amended, Performance Share Award Memorandum and Performance Share Award Agreement (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended June 30, 2017 and incorporated herein by reference)
10.53	* Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on April 27, 2017 and incorporated herein by reference)
10.54	* Form of Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan Performance Share Award Memorandum and Performance Share Award Agreement (filed as Exhibit 10.4 to Cliffs' Form 10-Q for the period ended June 30, 2017 and incorporated herein by reference)
10.55	* Form of Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan Restricted Stock Unit Award Memorandum and Restricted Stock Unit Award Agreement (filed as Exhibit 10.5 to Cliffs' Form 10-Q for the period ended June 30, 2017 and incorporated herein by reference)
10.56	* Cliffs Natural Resources Inc. Supplemental Retirement Benefit Plan (as Amended and Restated effective December 1, 2006) dated December 31, 2008 (filed as Exhibit 10(mmm) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.57	* Cliffs Natural Resources Inc. 2015 Employee Stock Purchase Plan (filed as Exhibit 4.4 to Cliffs' Registration Statement on Form S-8 on August 20, 2015 and incorporated herein by reference)

10.58	** Pellet Sale and Purchase Agreement, effective as of October 31, 2016, by and among Cliffs Natural Resources Inc., The Cleveland-Cliffs Iron Company and Cliffs Mining Company and ArcelorMittal USA LLC (filed as Exhibit 10.72 to Cliffs' Registration Statement on Form S-1/A No. 333-212054 on August 4, 2016 and incorporated herein by reference)
10.59	** Amended and Restated Pellet Sale and Purchase Agreement, effective as of December 31, 2015, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company and AK Steel Corporation (filed herewith)
12	Ratio of Earnings To Combined Fixed Charges And Preferred Stock Dividend Requirements (filed herewith)
21	Subsidiaries of the Registrant (filed herewith)
23	Consent of Independent Registered Public Accounting Firm (filed herewith)
24	Power of Attorney (filed herewith)

173

Table of Contents

31.1	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves as of February 14, 2018 (filed herewith)
31.2	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Timothy K. Flanagan as of February 14, 2018 (filed herewith)
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves, Chairman, President and Chief Executive Officer of Cleveland-Cliffs Inc., as of February 14, 2018 (filed herewith)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Timothy K. Flanagan, Executive Vice President, Chief Financial Officer of Cleveland-Cliffs Inc., as of February 14, 2018 (filed herewith)
95	Mine Safety Disclosures (filed herewith)
99(a)	Schedule II – Valuation and Qualifying Accounts (filed herewith)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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* Indicates management contract or other compensatory arrangement.

** Confidential treatment requested and/or approved as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

*** Certain immaterial schedules and exhibits to this exhibit have been omitted pursuant to the provisions of Regulation S-K, Item 601(b)(2). A copy of any of the omitted schedules and exhibits will be furnished to the Securities and Exchange Commission upon request.

(c) Exhibits listed in Item 15(a)(3) above are incorporated herein by reference.

(d) The schedule listed above in Item 15(a)(1) and (2) is attached as Exhibit 99(a) and incorporated herein by reference.

174

Table of Contents

Item 16. Form 10-K Summary
None.
SIGNATURES
Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEVELAND-CLIFFS INC.

By: /s/ R. C. Cebula
Name: R. Christopher Cebula
Title: Vice President, Corporate Controller & Chief Accounting Officer

Date: February 14, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ C. L. Goncalves C. L. Goncalves	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 14, 2018
/s/ T. K. Flanagan T. K. Flanagan	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 14, 2018
/s/ R. C. Cebula R. C. Cebula	Vice President, Corporate Controller & Chief Accounting Officer (Principal Accounting Officer)	February 14, 2018
* J. T. Baldwin	Director	February 14, 2018
*	Director	February 14, 2018

R. P. Fisher, Jr.

*	Director	February 14, 2018
S. M. Green		
*	Director	February 14, 2018
J. A. Rutkowski, Jr.		
*	Director	February 14, 2018
E. M. Rychel		
*	Director	February 14, 2018
M. D. Siegal		
*	Director	February 14, 2018
G. Stoliar		
*	Director	February 14, 2018
D. C. Taylor		

* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K pursuant to a Power of Attorney executed on behalf of the above-indicated officers and directors of the registrant and filed herewith as Exhibit 24 on behalf of the registrant.

By: /s/ T. K. Flanagan
(T. K. Flanagan, as Attorney-in-Fact)

175