

Washington, D.C. 20549

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 19, 2019

(d)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

included an unfavorable HRC price-related true-up of previously sold volumes due to lower index pricing, compared to the prior-year's second quarter, which included a favorable true-up related to HRC.

Cash cost of goods sold rate² was \$67 per long ton, compared to \$62 per long ton in the prior year's second quarter. The increase was driven by transportation and labor costs, along with higher costs related to improved profitability outlook, including employee profit sharing and higher royalties.

Cost of goods sold rate	\$74 - \$79
Less:	
Freight expense rate (A)	\$8
Depreciation, depletion & amortization rate	\$4
Cash cost of goods sold rate ²	\$62 - \$67
Sales volume (million long tons)	20
Production volume (million long tons)	20

(A) Freight has an offsetting amount in revenue and has no impact on sales margin.

(Long Tons)

Based on the assumption that relevant pricing indices will average for the remainder of 2019 their respective year-to-date averages, Cliffs would expect to realize Mining and Pelletizing revenue rates in the range of \$109 to \$114 per long ton, a \$1 per long ton increase versus the comparable range provided last quarter.

For 2019, Cliffs maintained its full-year sales and production volume expectation of 20 million long tons. Cliffs' full-year 2019 Mining and Pelletizing cash cost of goods sold rate² expectation is maintained at \$62 to \$67 per long ton.

Cliffs' full-year 2019 SG&A expense expectation of \$120 million is being maintained. Cliffs also notes that of the \$120 million expectation, approximately \$20 million is considered non-cash. The Company's full-year 2019 net interest expense expectation is maintained at \$100 million. Full-year 2019 depreciation, depletion and amortization is expected to be approximately \$85 million.

The Company's 2019 effective tax rate is expected to be approximately 12-14 percent. Due to the Company's NOL position, its cash tax payments are expected to be zero.

This report contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this report,s







