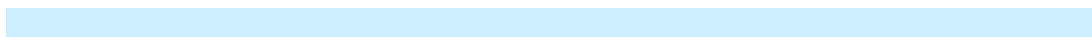
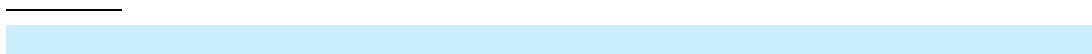

Item 8.01. Other Events.

On February 26, 2020, Cleveland-Cliffs Inc. (the "Company") announced that it intends to offer to sell \$550 million aggregate principal amount of senior secured guaranteed notes (the "Secured Notes") in an offering exempt from the registration requirements of the Securities Act of 1933 (the "Securities Act") and \$400 million aggregate principal amount of senior guaranteed notes (together with the Secured Notes, the "Notes") in an offering exempt uæ

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News Release

Cleveland-Cliffs Inc. Announces Proposed Offerings of \$550,000,000 Senior Secured Guaranteed Notes due 2028 and \$400,000,000 Senior Unsecured Guaranteed Notes due 2028

CLEVELAND - February 26, 2020 - Cleveland-Cliffs Inc. (NYSE: CLF) ("Cliffs") today announced that it intends to offer to sell, subject to market and other conditions, \$550 million aggregate principal amount of Senior Secured Notes due 2028 (the "Secured Notes") and \$400 million aggregate principal amount of Senior Notes due 2028 (the "Unsecured Notes" and, together with the Secured Notes, the "Notes") in separate offerings (the "Notes Offerings") that are exempt from the registration requirements of the Securities Act of 1933 (the "Securities Act").

The Unsecured Notes will be guaranteed on a senior unsecured basis by Cliffs' material wholly owned domestic subsidiaries (other than excluded subsidiaries) and, following the closing of the Merger (as defined below), will be guaranteed on a senior unsecured basis by AK Steel Holding Corporation ("AK Holding") and its material wholly owned subsidiaries (other than excluded subsidiaries). The Secured Notes will be, following the closing of the Merger, guaranteed on a senior secured basis by Cliffs' material wholly owned domestic subsidiaries, including AK Holding and its material wholly owned subsidiaries (subject in each case to certain exceptions and permitted liens), and secured by (i) a first-priority lien on substantially all of Cliffs' assets and the assets of the guarantors (other than accounts receivable and other rights to payment, inventory, as-extracted collateral, investment property, certain general intangibles and commercial tort claims, certain mobile equipment, commodities accounts, deposit accounts, securities accounts and other related assets and proceeds and products of each of the foregoing (collectively, the "ABL Collateral")), and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien for the benefit of the lenders under Cliffs senior secured asset-based credit facility.

We expect that the Notes Offerings will be consummated prior to the consummation of the previously announced merger (the "Merger") with AK Holding. As a result, the gross proceeds are expected to be deposited into an escrow account until the consummation of the Merger. In addition, the Notes will be subject to a "substantial redemption" in the event that (i) the Merger is not consummated on or before 12/31/2020.

Cliffs Inc.

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and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws and foreign securities laws.

About Cleveland-Cliffs

Founded in 1847, Cleveland-Cliffs is the largest and oldest independent iron ore mining company in the United States. Cleveland-Cliffs is a major supplier of iron ore pellets to the North American steel industry from its mines and pellet plants located in Michigan and Minnesota. In 2020, Cleveland-Cliffs expects to be the sole producer of hot briquetted iron (HBI) in the Great Lakes region with the development of its first production plant in Toledo, Ohio. On December 2, 2019, Cleveland-Cliffs agreed to acquire AK Steel, a leading North American producer of sophisticated steel products, which is expected to close in the first quarter of 2020. Driven by the core values of safety, social, environmental and capital stewardship, Cliffs' employees endeavor to provide all stakeholders with operating and financial transparency.

Forward-looking Statements

This communication contains certain forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. When used in this communication, words such as "anticipate," "assume," "believe," "build," "continue," "create," "design," "estimate," "expect," "focus," "forecast," "future," "goal," "guidance," "imply," "intend," "look," "objective," "opportunity," "outlook," "plan," "position," "potential," "predict," "project," "prospective," "pursue," "seek," "strategy," "target," "work," "could," "may," "should," "would," "will" or the negative of such terms or other variations thereof and words and terms of similar substance may identify forward-looking statements, including statements with respect to the businesses, strategies and plans of AK Holding and Cliffs, their expectations relating to the Merger, including the expected benefits of the proposed Merger and the anticipated completion of the proposed Merger or the timing thereof, and their respective future financial condition and performance and expectations, estimates and projections about Cliffs' or AK Holding's respective industries or businesses. Cliffs and AK Holding caution investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following: the risk that the Agreement and Plan of Merger between Cliffs, AK Holding and Pepper Merger Sub Inc., a direct wholly owned subsidiary of Cliffs, entered on December 2, 2019 (the "Merger Agreement") may be terminated in accordance with its terms and that the Merger may not be completed; the possibility that Cliffs shareholders may not approve the Merger Agreement and the transactions contemplated by the Merger Agreement, including the issuance of Cliffs common shares in connection with the Merger; the possibility that AK Holding stockholders may not adopt the Merger Agreement; the risk that the parties may not be able to satisfy any or all of the conditions to the completion of the Merger in a timely manner or at all; the risk that the Merger may be less accretive than expected, or may be dilutive, to Cliffs' earnings per share, which may negatively affect the market price of Cliffs common shares; the possibility that Cliffs and AK Holding will incur significant transaction and other costs in connection with the Merger, which may be in excess of those anticipated by Cliffs or AK Holding; the risk that the financing transactions to be undertaken in connection with the Merger have a negative impact on the combined company's credit profile or financial condition; the risk that Cliffs may fail to realize the benefits expected from the Merger; the risk that the combined company may be unable to achieve anticipated synergies or that it may take longer than expected to achieve those synergies; the risk that any announcements relating to, or the completion of, the Merger could have adverse effects on the market price of Cliffs common shares; the risk related to any unforeseen liability and future capital expenditure of AK Holding or Cliffs; the risk that pending litigation relating to the Merger and any potential future litigation against Cliffs, AK Holding or their respective directors may delay or prevent the completion of the Merger; the risks related to Cliffs' ability to issue new senior notes or obtain a new revolving credit facility in connection with the Merger on favorable terms, if at all; the risk that the Merger and its announcement or completion could have an adverse effect on the ability of Cliffs and AK Holding to retain customers, retain and hire key personnel and/or maintain relationships with their suppliers and business partners; and the risk of any changes in general economic, market or business conditions, or changes in the economic or financial condition of Cliffs and AK Holding. Other risks to Cliffs and AK Holding and factors that may affect the operating results of Cliffs and AK Holding are set forth in the "Risk Factors" section of the Prospectus Supplement to the Registration Statement filed with the SEC on December 2, 2019.

respective management teams of Cliffs and AK Holding based on information currently available. Forward-looking statements are subject to inherent risks and uncertainties as a



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