





On March 6, 2014, Casablanca Capital LP and its affiliates (collectively, "Casablanca") issued by press release and sent a letter (the "March 6 Letter") to representatives of Cliffs Natural Resources Inc. (the "Company") regarding Casablanca's intention to nominate six candidates for election to the board of directors of the Company (the "Board") at the Company's annual meeting of shareholders (the "Annual Meeting"). The March 6 Letter described the de

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Casablanca's Nominees

Nominee

Key Qualifications

Lourenco Goncalves

· Hired as

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The Bloom Lake Acquisition Is Part of a Broader ~\$9 Billion Value-Destroying Diversification Strategy, for which Members of the Board Are Responsible. The transactions below, which all appear to have lost money, were part of the Board's spending spree:

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Project	Estimated Investment	Project Status	Sitting Directors Responsible for Approving:	
			Acquisition	Further Investment
Chromite <sup>3</sup>	\$500 million	Suspended in 2Q 2013	8 / 6	8
Coal <sup>4</sup>	\$1.23 billion	Estimated 2014, suspended 2013	6	10
Amapa <sup>5</sup> ^				

**Unusual Change in Control Provisions in Employment Agreements.** Cliffs recently disclosed that its employee severance agreements include change in control payments to employees that are triggered if the current directors cease to be a majority on the Board.<sup>7</sup> Importantly, this provision gives the company the right to terminate the employment of any director if the new directors assume office as a result of an actual or threatened proxy contest—~~even if the incumbent director is the only director who is not a director of the company.~~

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## Cliffs Does Not Have a New Strategy

Despite Cliffs' assertions around its "new strategic direction," Casablanca sees only variations on what it considers to be the same failed strategy of international expansion and diversification.

**Set to Continue with a Failed Expansion Strategy.** Approximately three weeks ago, Cliffs reiterated its "ability to gain scale and diversify our geographqti é Ú

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## About Casablanca Capital LP

Casablanca Capital is an Event Driven and Activist investment manager based in New York, founded in 2010 by Donald G. Drapkin and Douglas Taylor.  
Casablanca

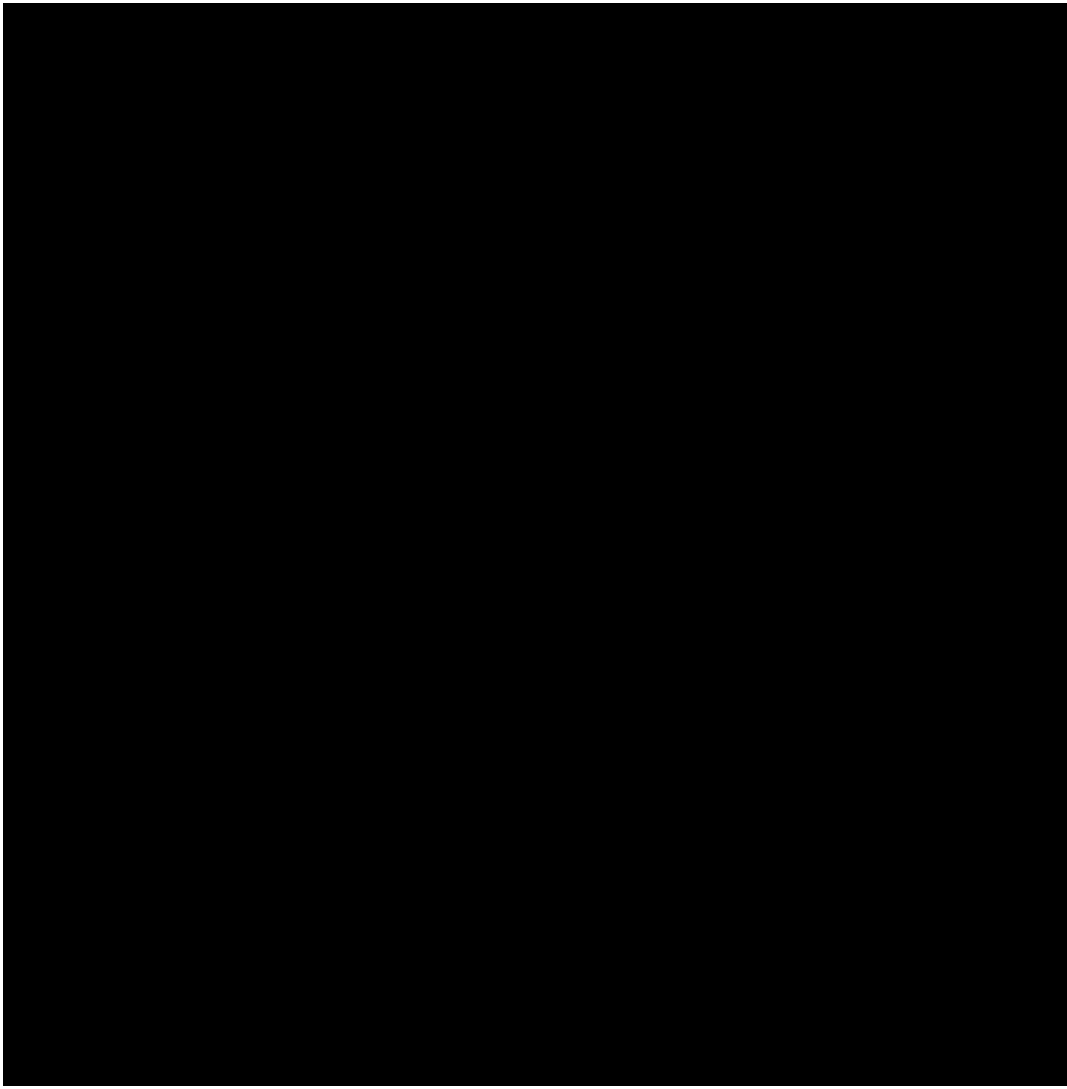
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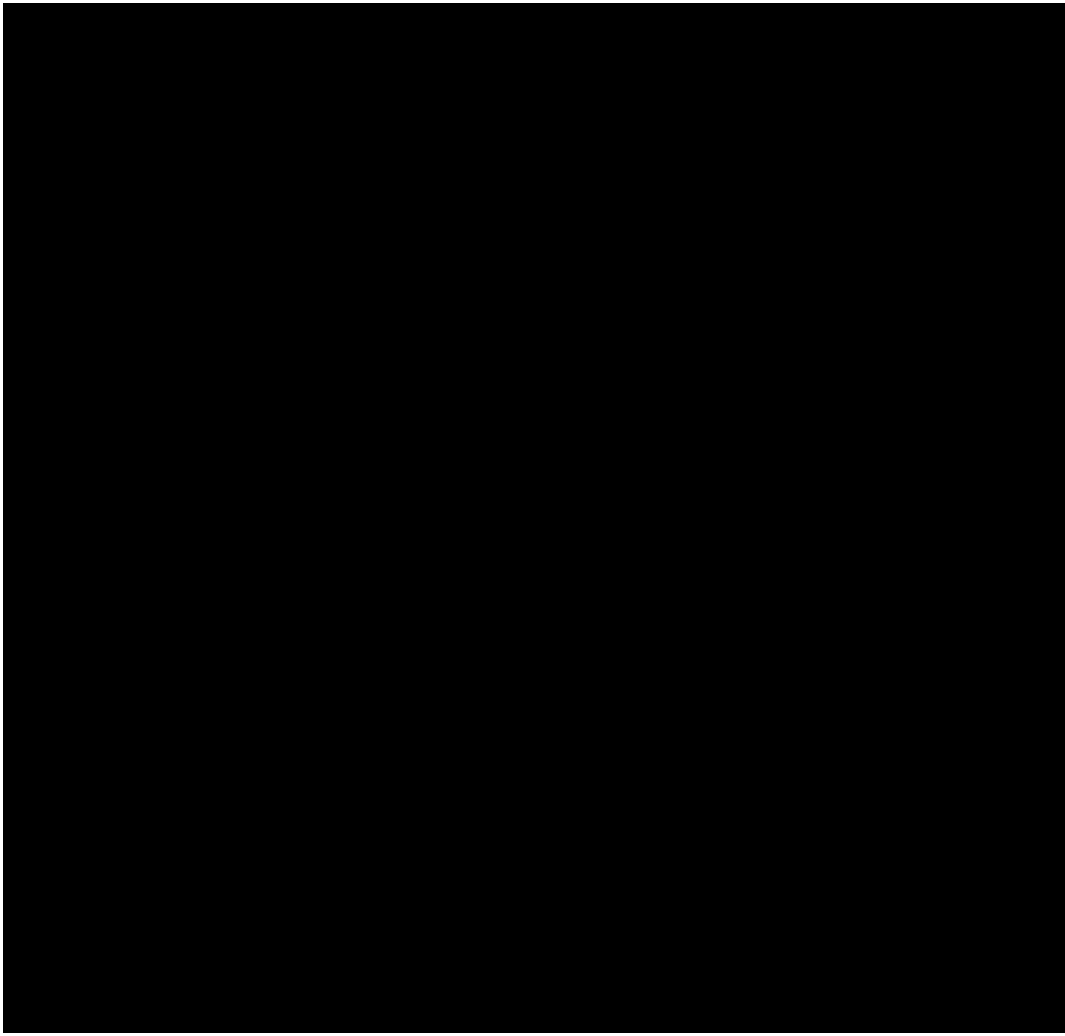
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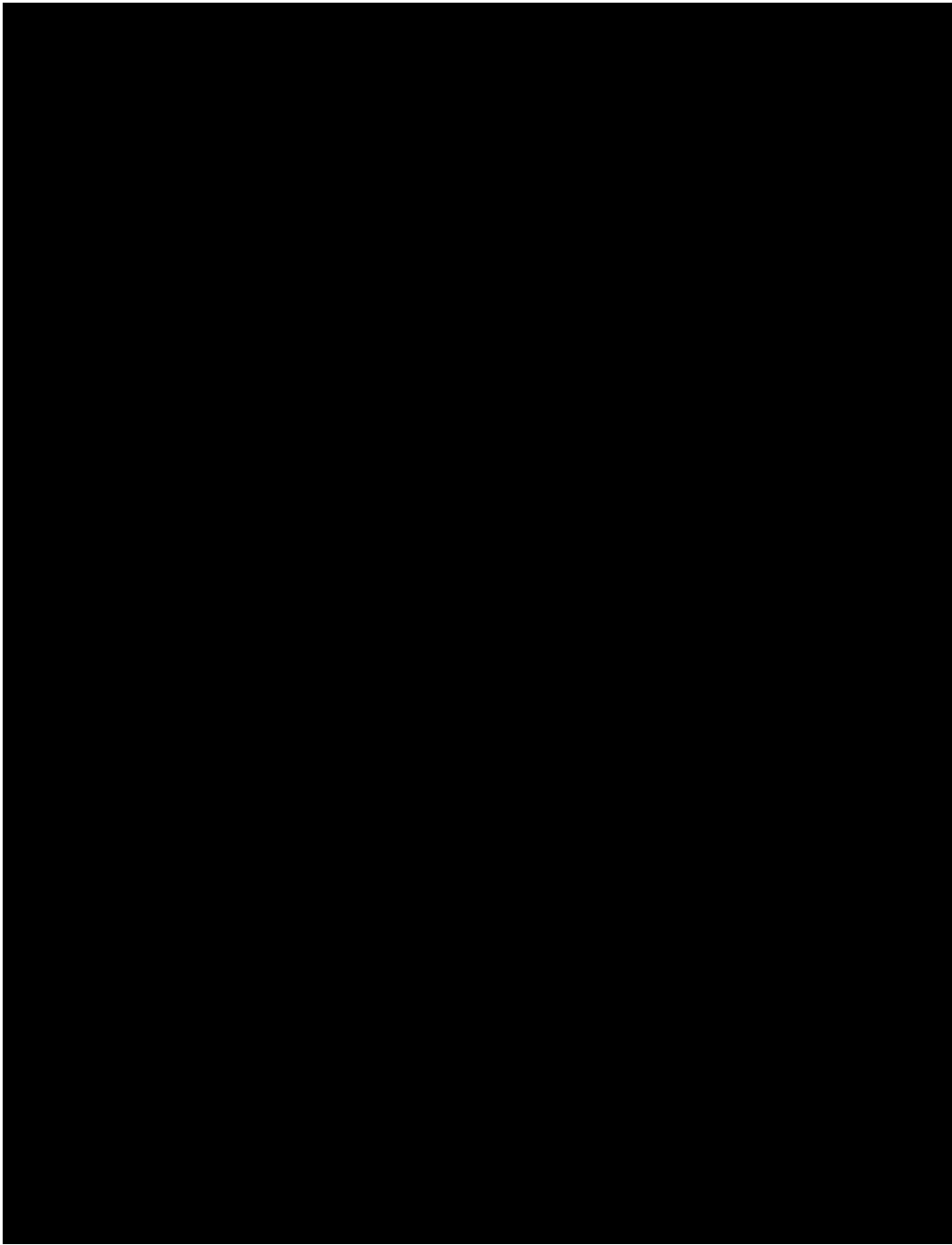






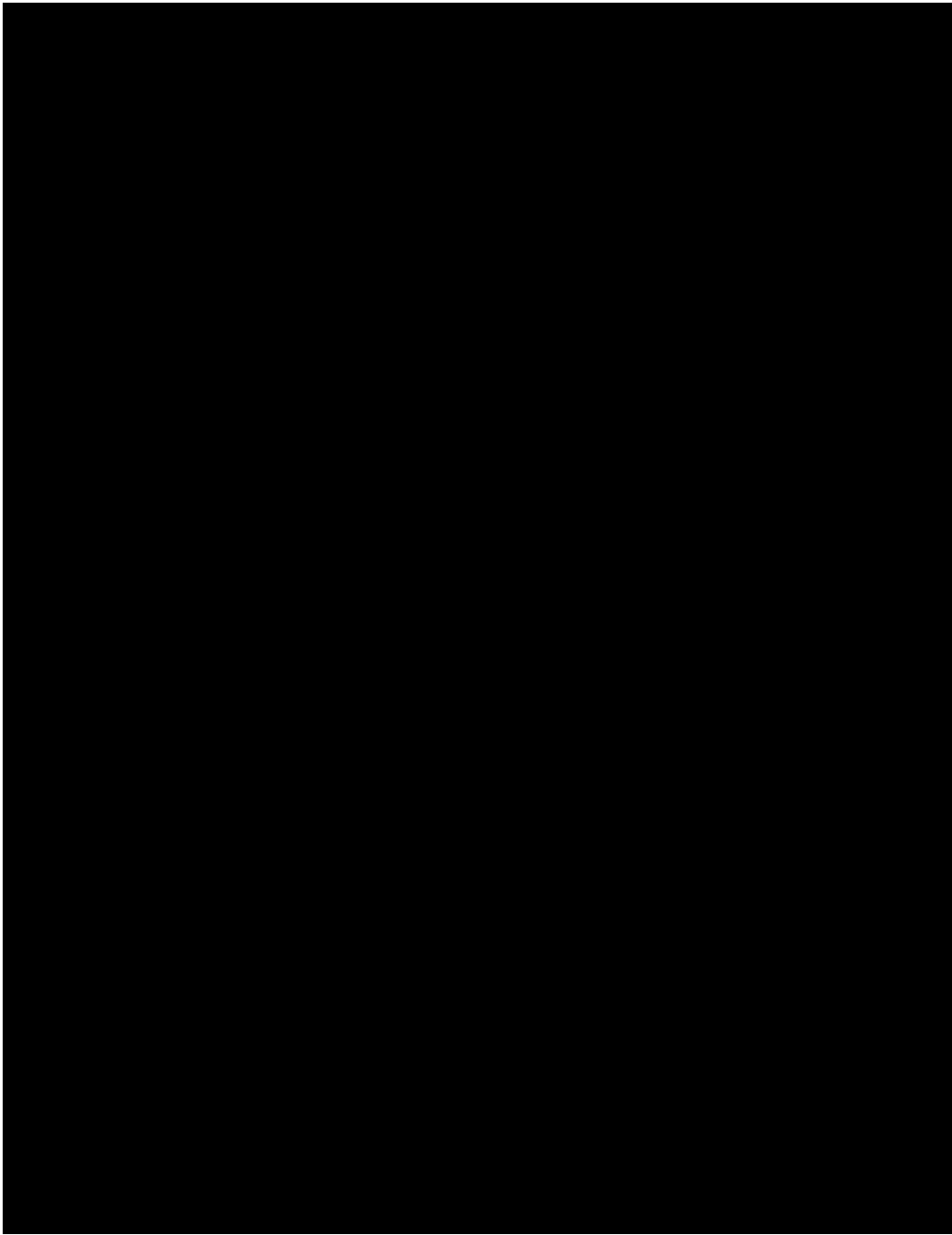






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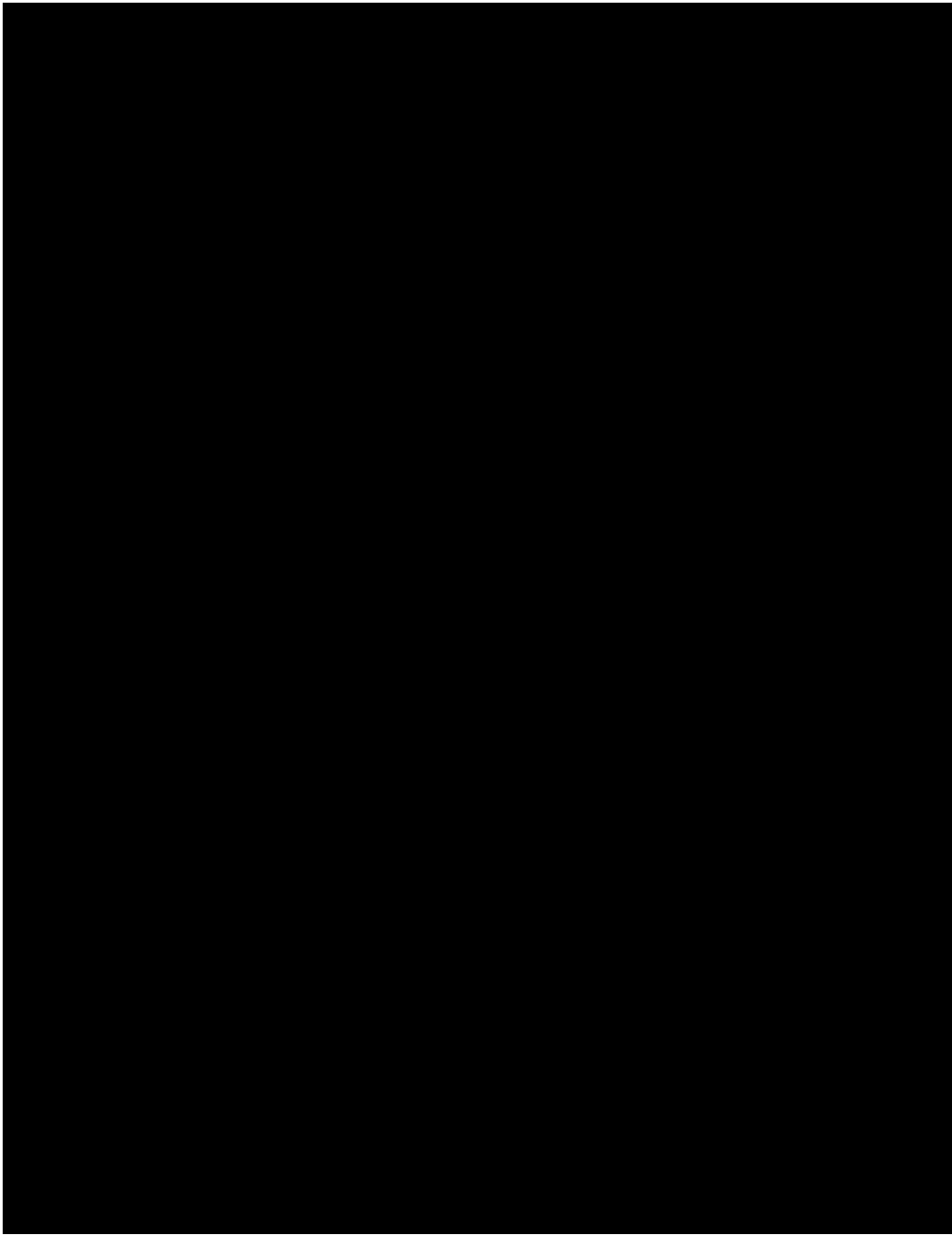


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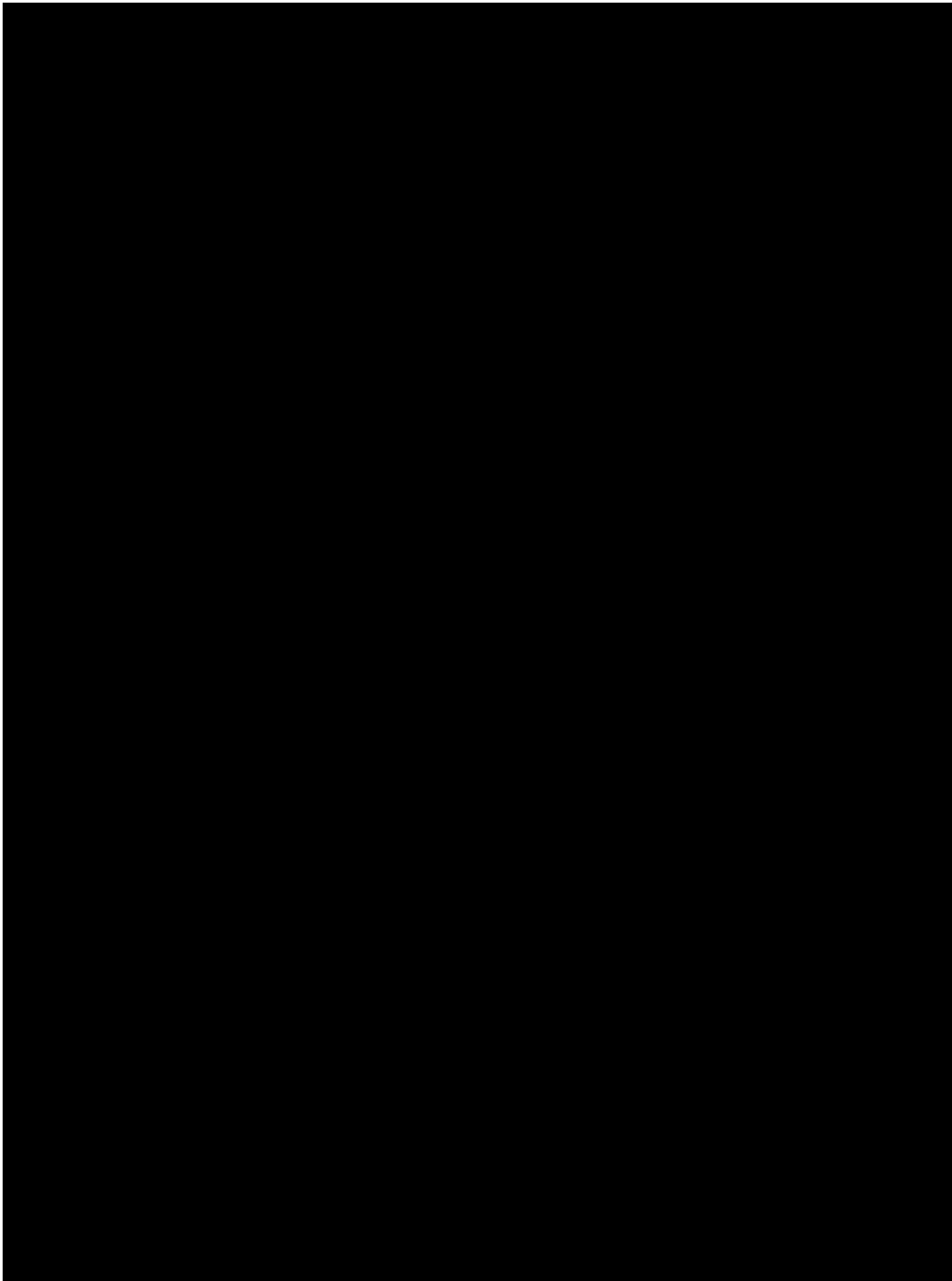
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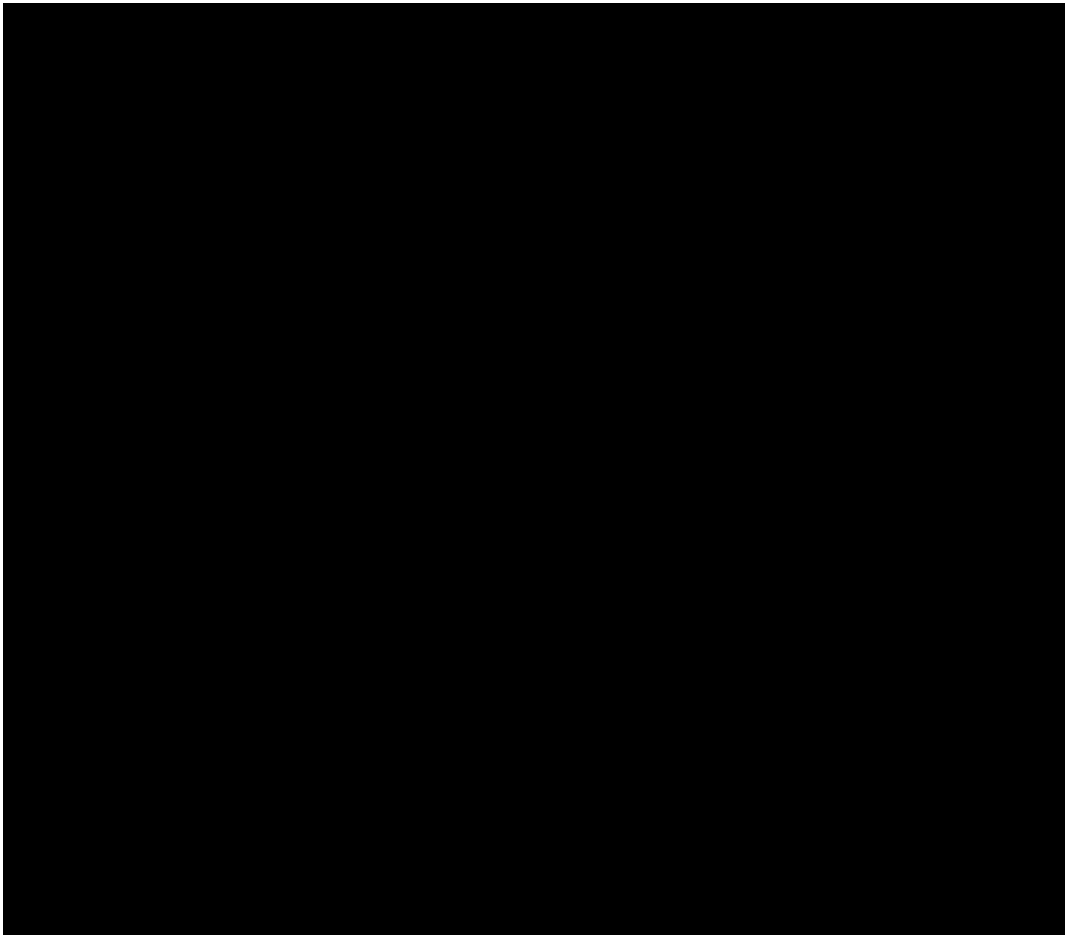
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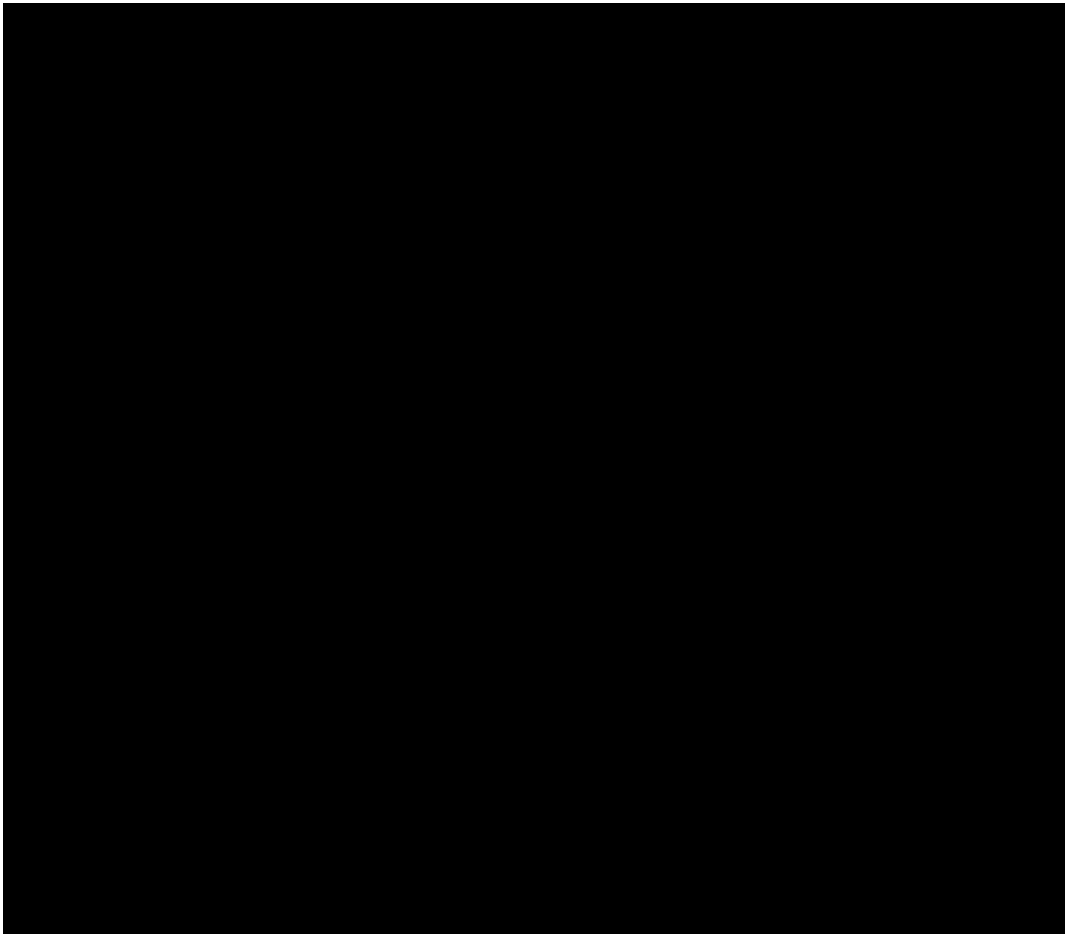
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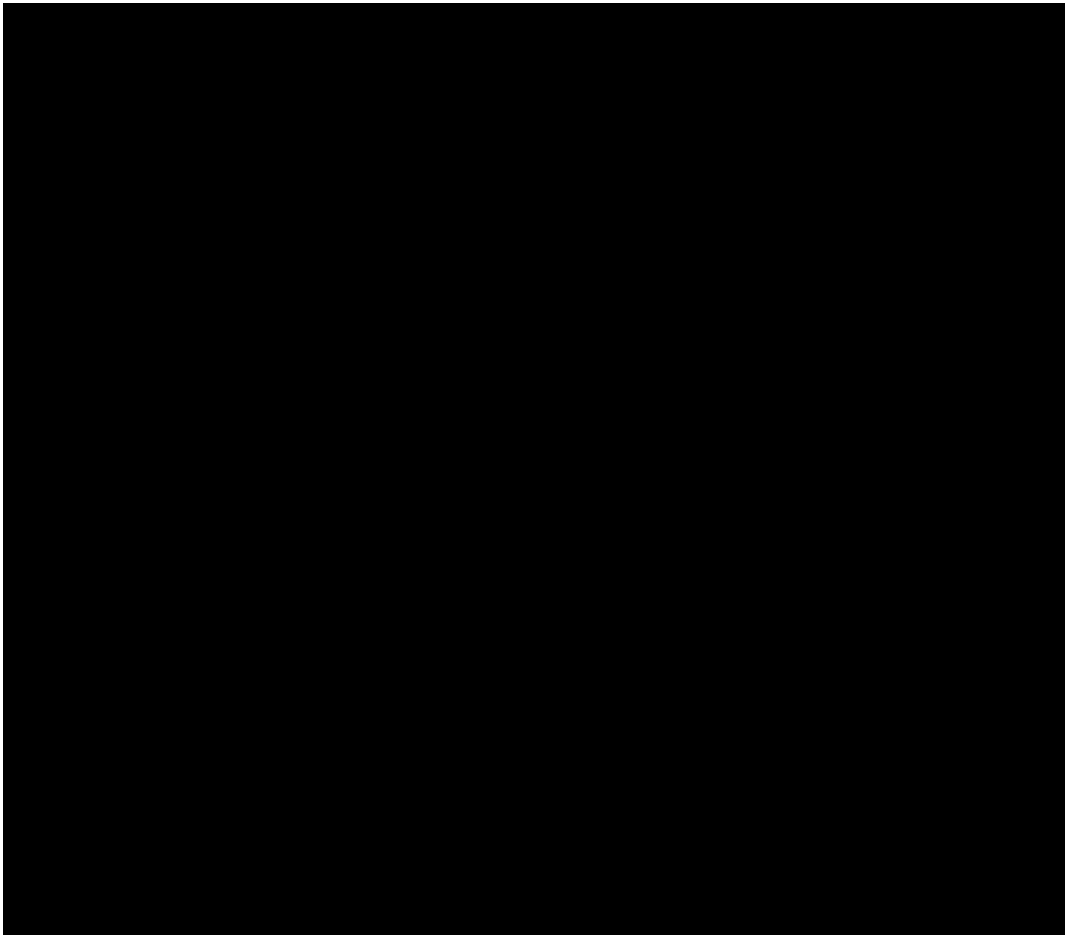






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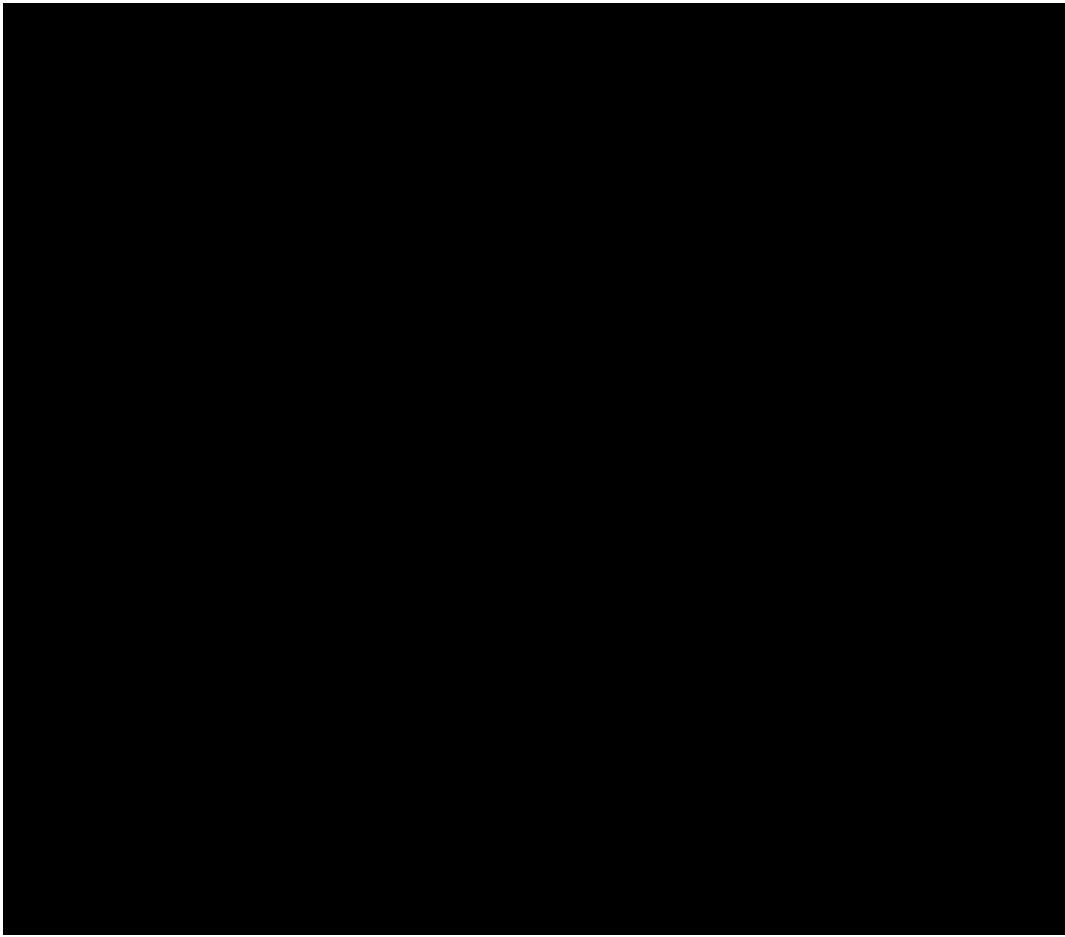












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Faber: To some extent, though, aren't



Drapkin: I think they're willing to be constructive. And quite frankly, we're happy, if they have a different structure that creates the 50 bucks a share we're looking f e

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02.12.2014

Face off: Cliffs and major shareholder in



"The

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01.28.2014

**Casablanca Capital Urges Changes at Cliffs Natural Resources**

By Michael J. De LUS

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