



Cleveland-Cliffs Inc.

Investor Presentation

JULY 2022

FORWARD-LOOKING STATEMENTS

This presentation contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. All statements other than historical facts, including, without limitation, statements regarding our current expectations, estimates and projections about our industry or our businesses, are forward-looking statements. We 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: continued volatility of steel, iron ore and scrap metal market prices, which directly and indirectly impact the prices of the products that we sell to our customers; uncertainties associated with the highly competitive and cyclical steel industry and our reliance on the demand for steel from the automotive industry, which has been experiencing a trend toward light weighting and supply chain disruptions, such as the semiconductor shortage, that could result in lower steel volumes being consumed; potential weaknesses and uncertainties in global economic conditions, excess global steelmaking capacity, oversupply of iron ore, prevalence of steel imports and reduced market demand, including as a result of the prolonged COVID-19 pandemic, conflicts or otherwise; severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges, due to the ongoing COVID-19 pandemic or otherwise, of one or more of our major customers, including customers in the automotive market, key suppliers or contractors, which, among other adverse effects, could lead to reduced demand for our products, increased difficulty collecting receivables, and customers and/or suppliers asserting force majeure or other reasons for not performing their contractual obligations to us; disruptions to our operations relating to the ongoing COVID-19 pandemic, including the heightened risk that a significant portion of our workforce or on-site contractors may suffer illness or otherwise be unable to perform their ordinary work functions; risks related to U.S. government actions with respect to Section 232 of the Trade Expansion Act of 1962 (as amended by the Trade Act of 1974), the United States-Mexico-Canada Agreement and/or other trade agreements, tariffs, treaties or policies, as well as the uncertainty of obtaining and maintaining effective antidumping and countervailing duty orders to counteract the harmful effects of unfairly traded imports; impacts of existing and increasing governmental regulation, including potential environmental regulations relating to climate change and carbon emissions, and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorizations of, or from, any governmental or regulatory authority and costs related to implementing improvements to ensure compliance with regulatory changes, including potential financial assurance requirements; potential impacts to the environment or exposure to hazardous substances resulting from our operations; our ability to maintain adequate liquidity, our level of indebtedness and the availability of capital could limit our financial flexibility and cash flow necessary to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business; our ability to reduce our indebtedness or return capital to shareholders within the currently expected timeframes or at all; adverse changes in credit ratings, interest rates, foreign currency rates and tax laws; the outcome of, and costs incurred in connection with, lawsuits, claims, arbitrations or governmental proceedings relating to commercial and business disputes, environmental matters, government investigations, occupational or personal injury claims, property damage, labor and employment matters, or suits involving legacy operations and other matters; uncertain cost or availability of critical manufacturing equipment and spare parts; supply chain disruptions or changes in the cost, quality or availability of energy sources, including electricity, natural gas and diesel fuel, or critical raw materials and supplies, including iron ore, industrial gases, graphite electrodes, scrap metal, chrome, zinc, coke and metallurgical coal; problems or disruptions associated with transporting products to our customers, moving manufacturing inputs or products internally among our facilities, or suppliers transporting raw materials to us; uncertainties associated with natural or human-caused disasters, adverse weather conditions, unanticipated geological conditions, critical equipment failures, infectious disease outbreaks, tailings dam failures and other unexpected events; disruptions in, or failures of, our information technology systems, including those related to cybersecurity; liabilities and costs arising in connection with any business decisions to temporarily or indefinitely idle or permanently close an operating facility or mine, which could adversely impact the carrying value of associated assets and give rise to impairment charges or closure and reclamation obligations, as well as uncertainties associated with restarting any previously idled operating facility or mine; our ability to realize the anticipated synergies and benefits of our recent acquisition transactions and to successfully integrate the acquired businesses into our existing businesses, including uncertainties associated with maintaining relationships with customers, vendors and employees and known and unknown liabilities we assumed in connection with the acquisitions; our level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks; challenges to maintaining our social license to operate with our stakeholders, including the impacts of our operations on local communities, reputational impacts of operating in a carbon-intensive industry that produces greenhouse gas emissions, and our ability to foster a consistent operational and safety track record; our ability to successfully identify and consummate any strategic capital investments or development projects, cost-effectively achieve planned production rates or levels, and diversify our product mix and add new customers; our actual economic mineral reserves or reductions in current mineral reserve estimates, and any title defect or loss of any lease, license, easement or other possessory interest for any mining property; availability of workers to fill critical operational positions and potential labor shortages caused by the ongoing COVID-19 pandemic, as well as our ability to attract, hire, develop and retain key personnel; our ability to maintain satisfactory labor relations with unions and employees; unanticipated or higher costs associated with pension and OPEB obligations resulting from changes in the value of plan assets or contribution increases required for unfunded obligations; the amount and timing of any repurchases of our common shares; and potential significant deficiencies or material weaknesses in our internal control over financial reporting.

For additional factors affecting the business of Cliffs, refer to Part I – Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2021, and other filings with the U.S. Securities and Exchange Commission.

CLEVELAND-CLIFFS



Largest flat-rolled steel producer in North America



Largest supplier of steel to the automotive industry in North America



The only US flat-rolled steel producer with zero reliance on imported pig iron and slabs



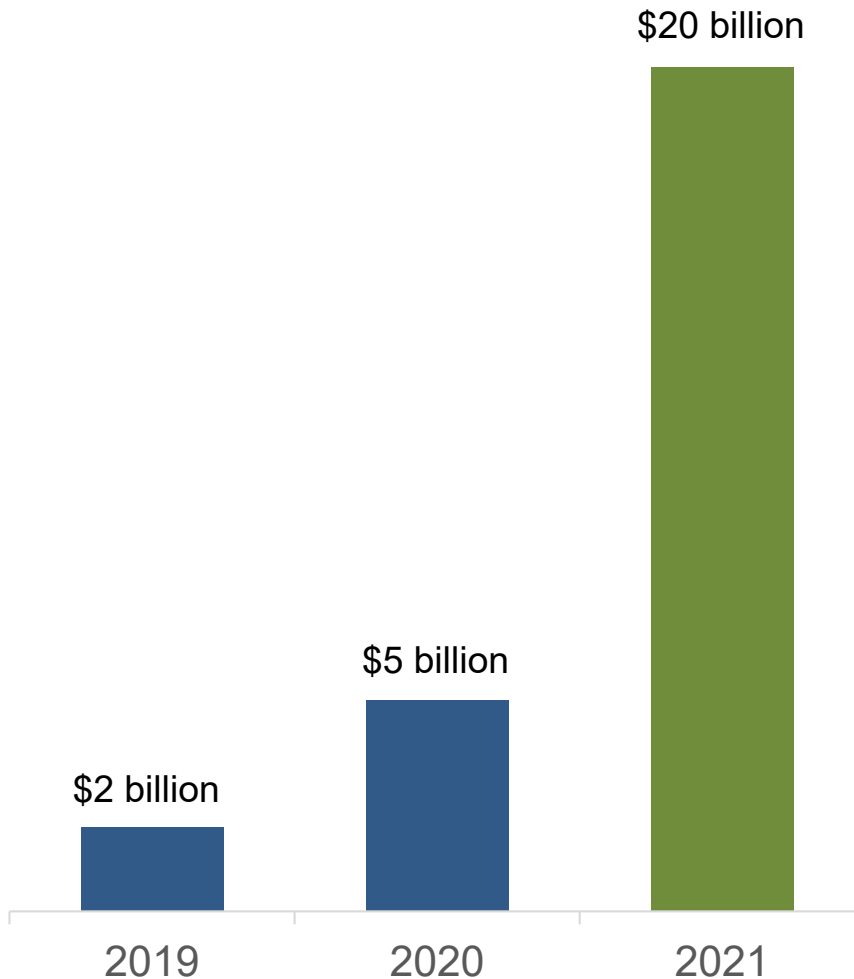
Full commitment to ESG policies including aggressive GHG emissions reduction



Strong balance sheet with leverage ratio at 12-year low

CLEVELAND-CLIFFS' 3-YEAR TRANSFORMATION

2019-2021 Annual Revenues



2019 Operational Profile

0 tons

of finished steel shipments

2020 Operational Profile

3.8 million tons

of finished steel shipments

#5

Fifth largest flat-rolled steel producer in North America

2021 Operational Profile

15.9 million tons

of finished steel shipments

#1

Largest flat-rolled steel producer in North America

DIFFERENTIATED, FULLY-INTEGRATED BUSINESS MODEL

- ✓ Vertically integrated in ferrous raw materials sourced from own U.S.-based operations

Pellets



HBI



Prime Scrap



- ✓ Annual shipments of approximately 16 million tons

Steel Making & Rolling



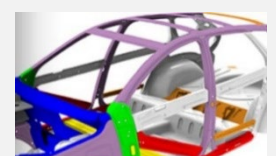
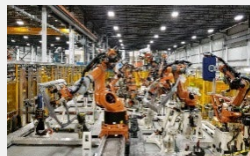
- ✓ Industry leading automotive market share

Finishing & Coating

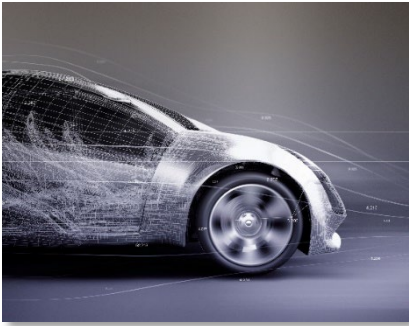


- ✓ Innovative and diverse downstream capabilities

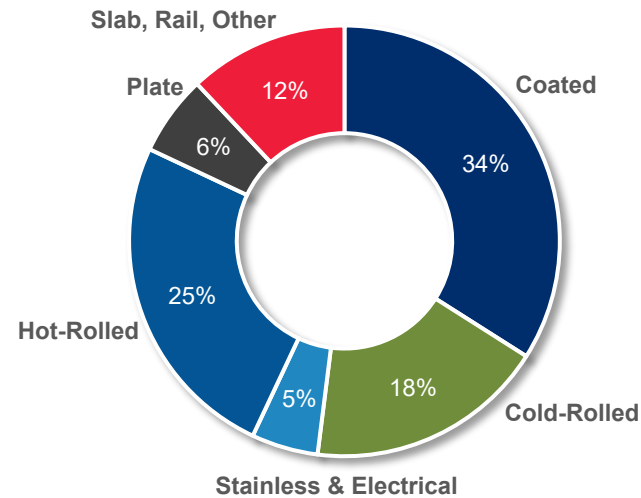
Downstream



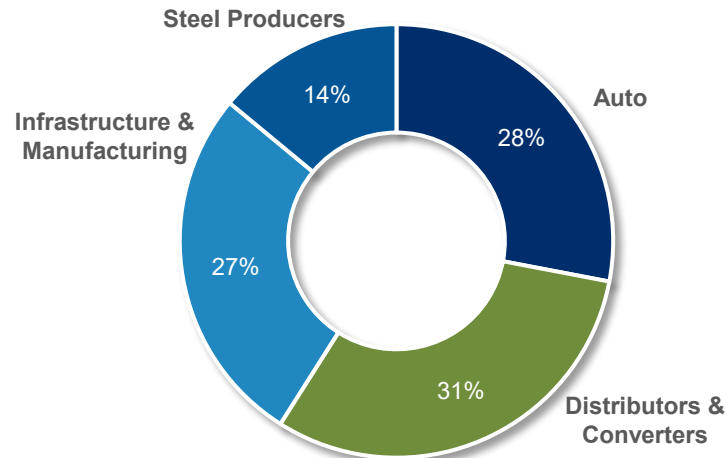
DIVERSIFIED END MARKETS WITH FOCUS ON VALUE ADDED PRODUCTS



Product Mix



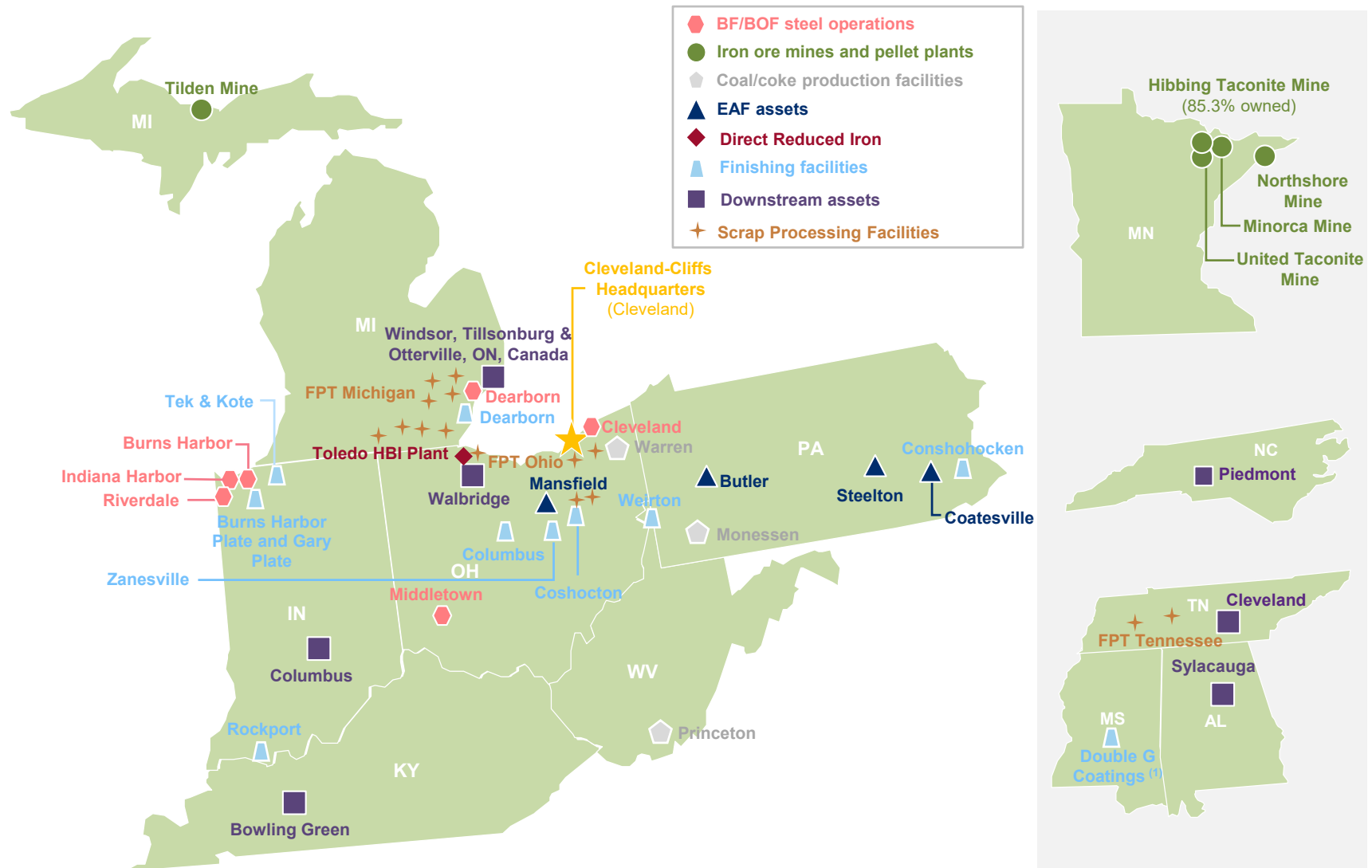
End Market Mix



Extensive Product Offering

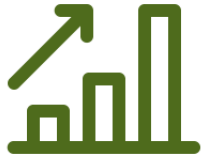
- ✓ Advanced High-strength Steels
- ✓ Aluminized
- ✓ Automotive Exposed
- ✓ Cold-rolled Coil
- ✓ Electrogalvanized
- ✓ Galvalume
- ✓ Galvanneal
- ✓ Grain Oriented Electrical Steels
- ✓ Hot-dipped Galvanized
- ✓ Hot-rolled Coil
- ✓ Non-oriented Electrical Steels
- ✓ Plate
- ✓ Rail
- ✓ Stainless Steels
- ✓ Stamped Components
- ✓ Tinplate
- ✓ Tool & Die
- ✓ Tubing

OPERATIONAL FOOTPRINT



RECENT HIGHLIGHTS

Achieved Record Financial Performance



Achieved record annual revenue, net income, Adjusted EBITDA and free cash flow in 2021

Entered the Scrap Business



Purchased the leading prime scrap processor in North America

Returned Capital to Shareholders



Reduced our diluted share count by 9%

Improved Contracts



Locked in substantial price increases for our fixed price contracts

Fully Utilized HBI



Reached nameplate capacity at our HBI facility in Toledo, OH

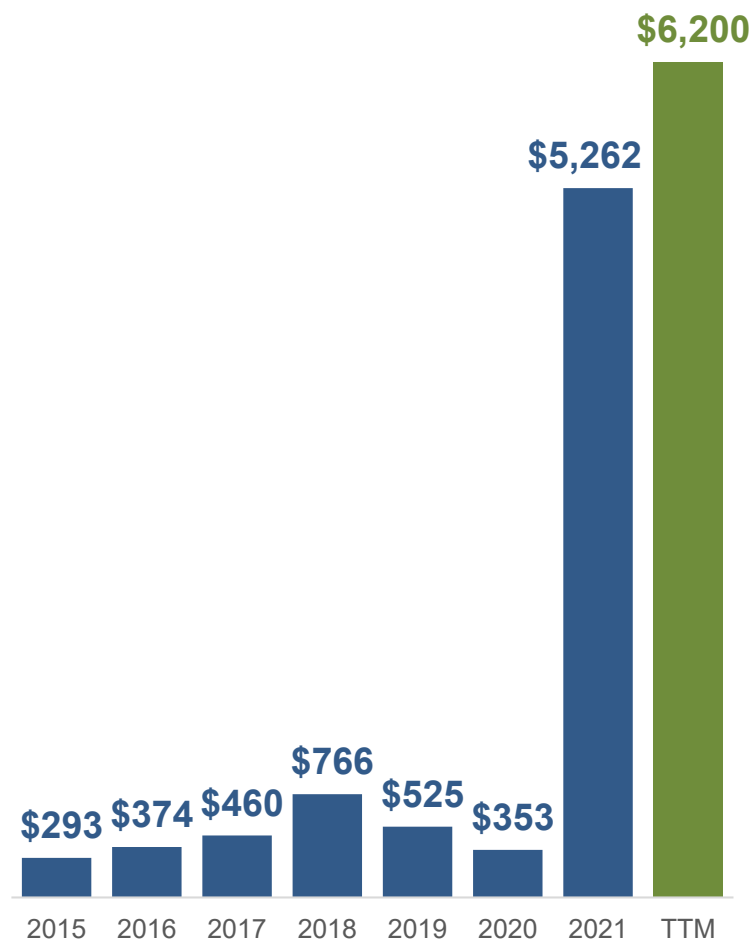
Fully-Integrated Advantage



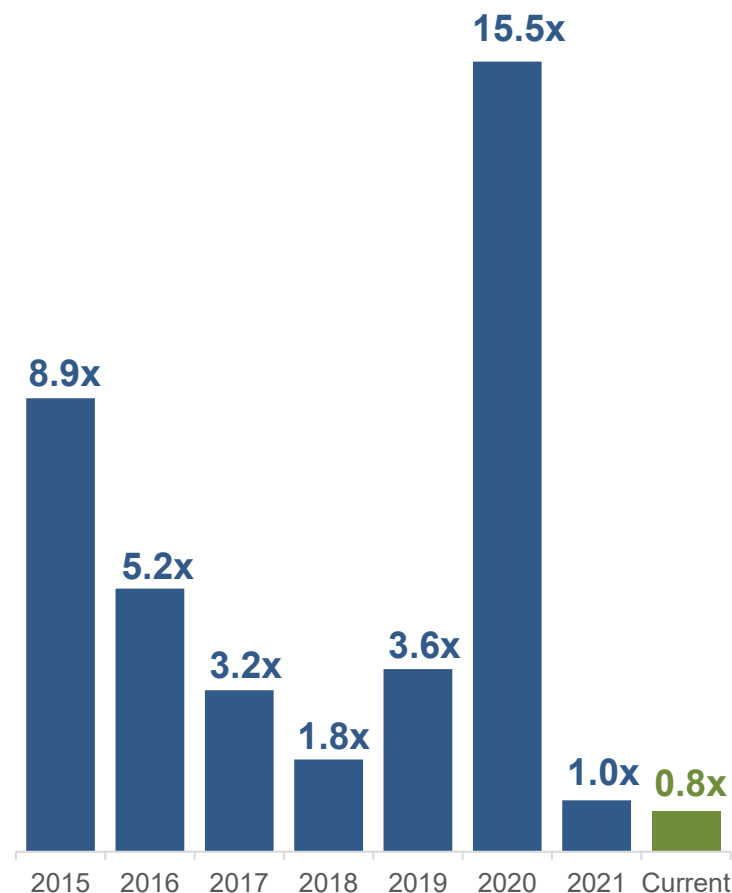
Recent disruption in prime metallics highlights Cliffs' integrated structure

RECORD FINANCIAL PERFORMANCE DRIVING DELEVERAGING

Adjusted EBITDA¹ (\$mm)



Net debt / Adjusted EBITDA¹

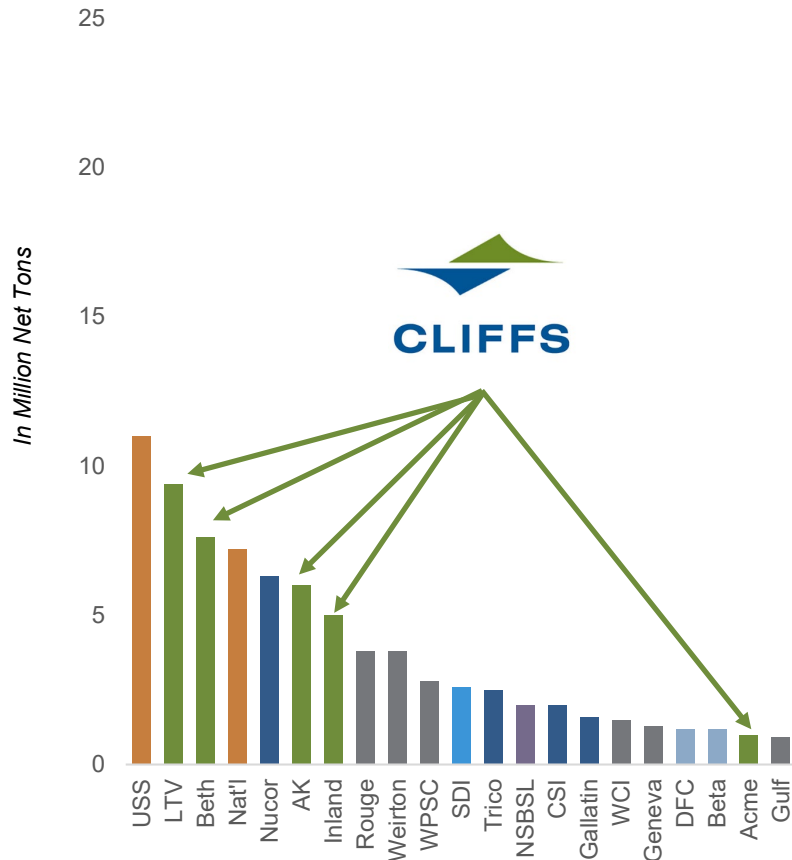


FLAT-ROLLED MARKET CONSOLIDATION

United States Hot Strip Mill Capacity

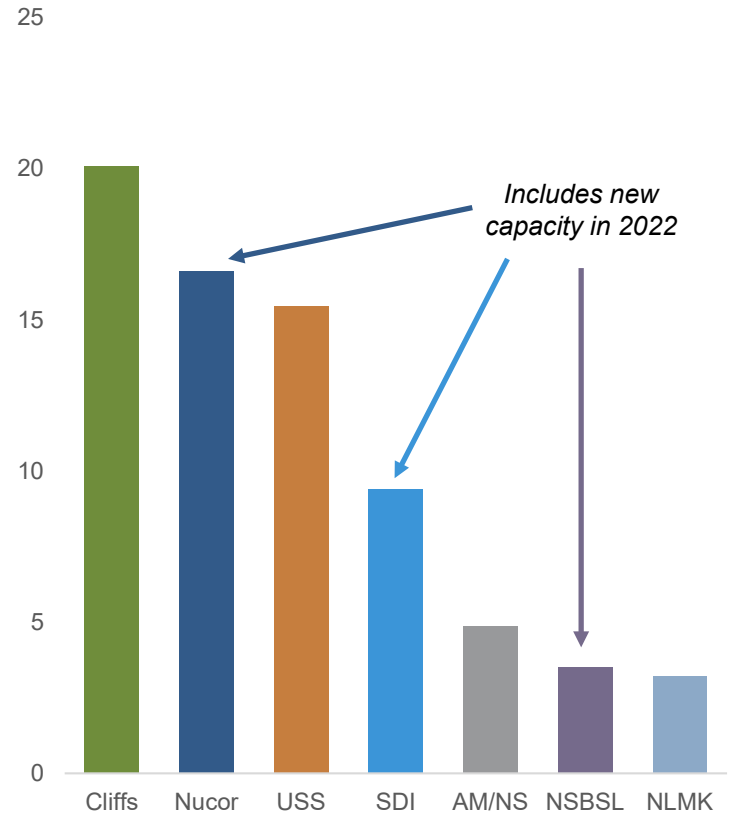
2000

Top 4 make up **44%**



2022

Top 4 make up **84%**

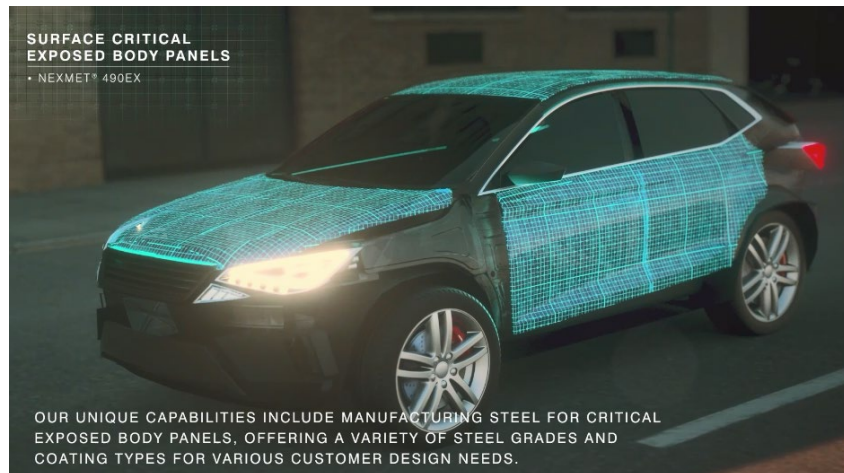


Note: Partial idle/closures in some cases.

Full HSM idle/closure

STEEL FOR ALL AUTOMOTIVE NEEDS

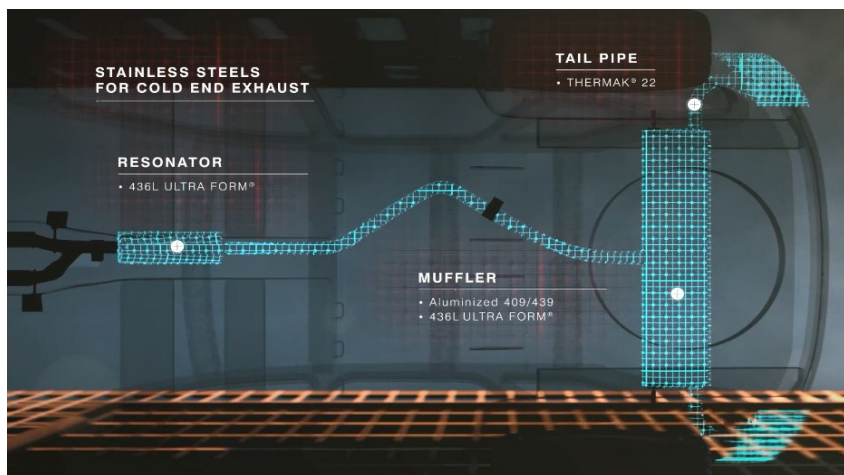
Exposed Parts



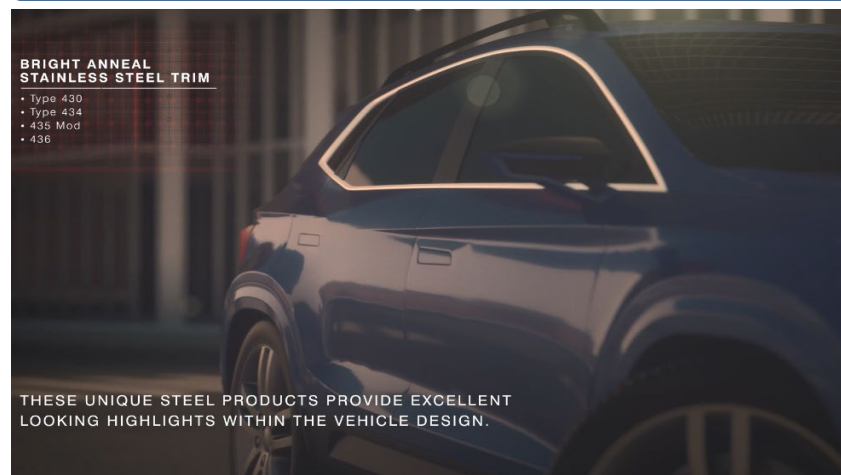
Lightweight Bodies



Stainless Exhaust

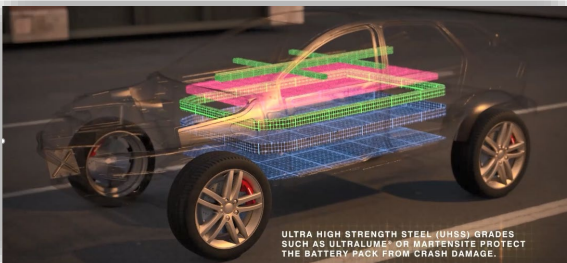


Stainless Trim

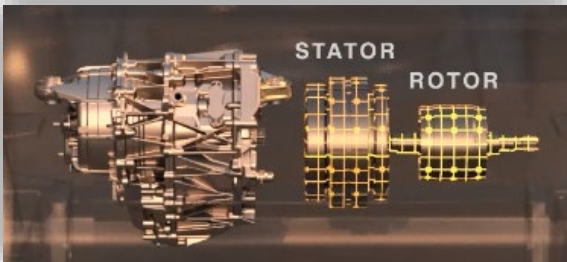


ALL THE STEEL NECESSARY FOR THE FORTHCOMING EV EXPANSION

Battery Support and Protection



NOES for Motors



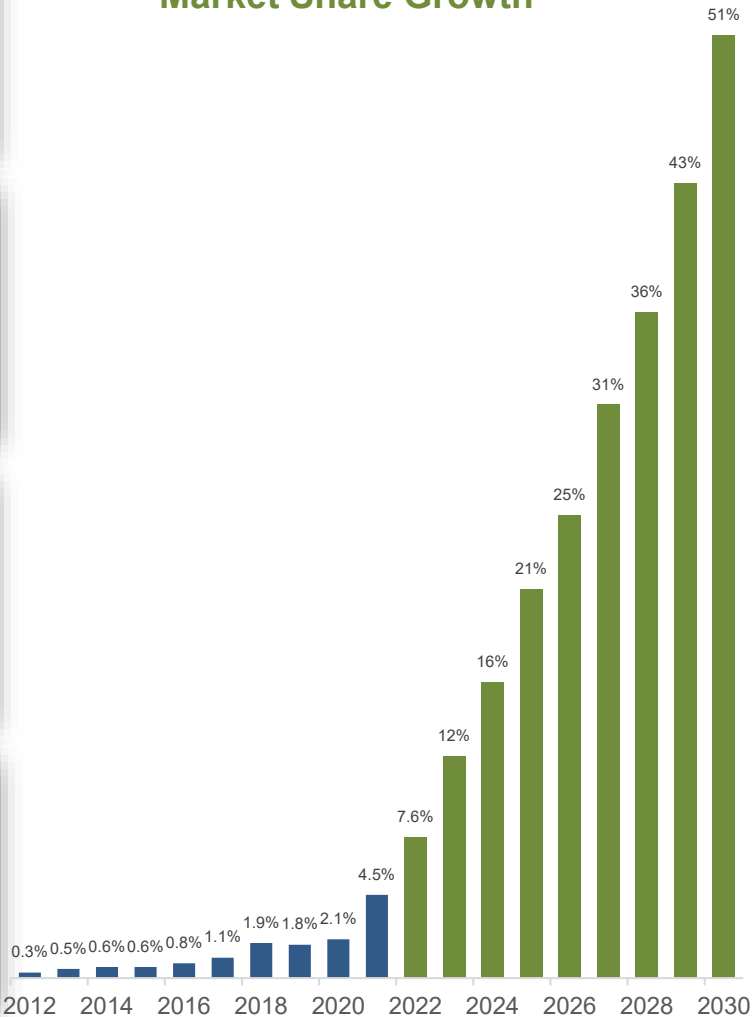
GOES for Charging



Lightweight Bodies



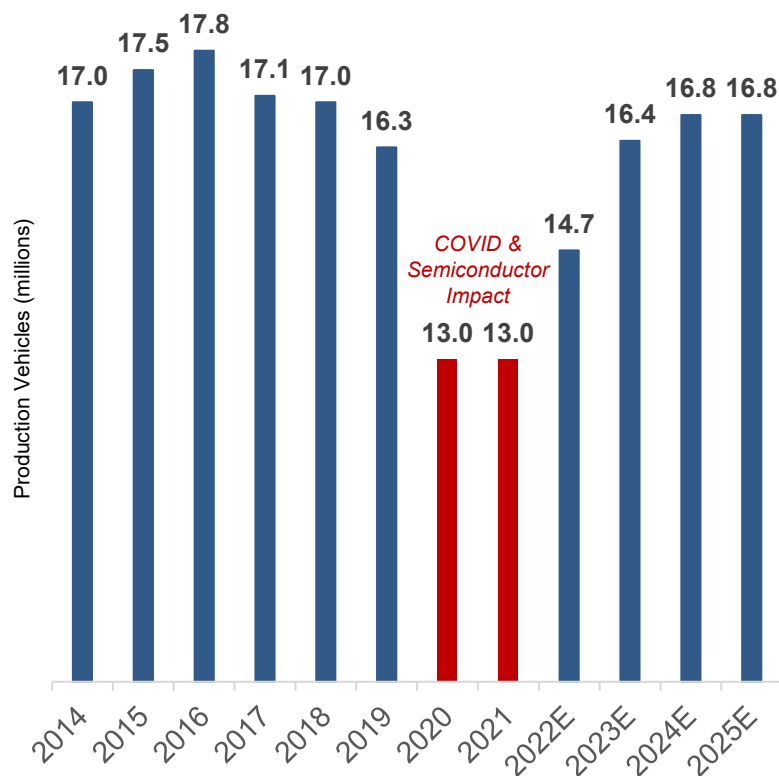
Projected North America EV Market Share Growth



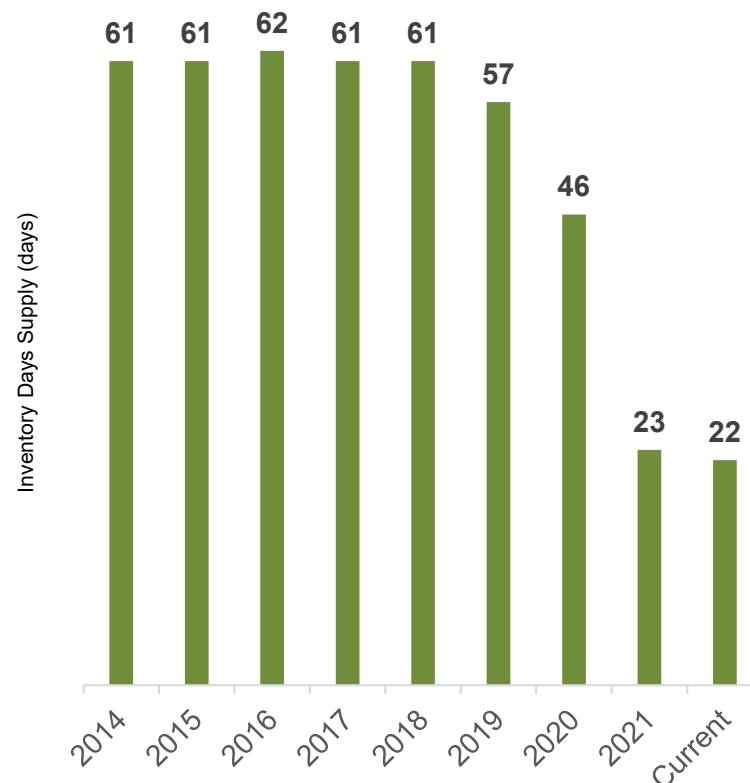
AUTOMOTIVE INDUSTRY POISED FOR STRONG REBOUND

- 14.7 and 16.4 million new vehicle builds projected in 2022 and 2023, respectively, compared to 13.0 million builds in 2020 and 2021
- Dealer inventories well below historic averages, implying continued strong demand
- Truck and SUV sales continue to increase market share

North America Light Vehicle Production



Dealer Inventory Trend



CAPITAL RETURNED TO SHAREHOLDERS

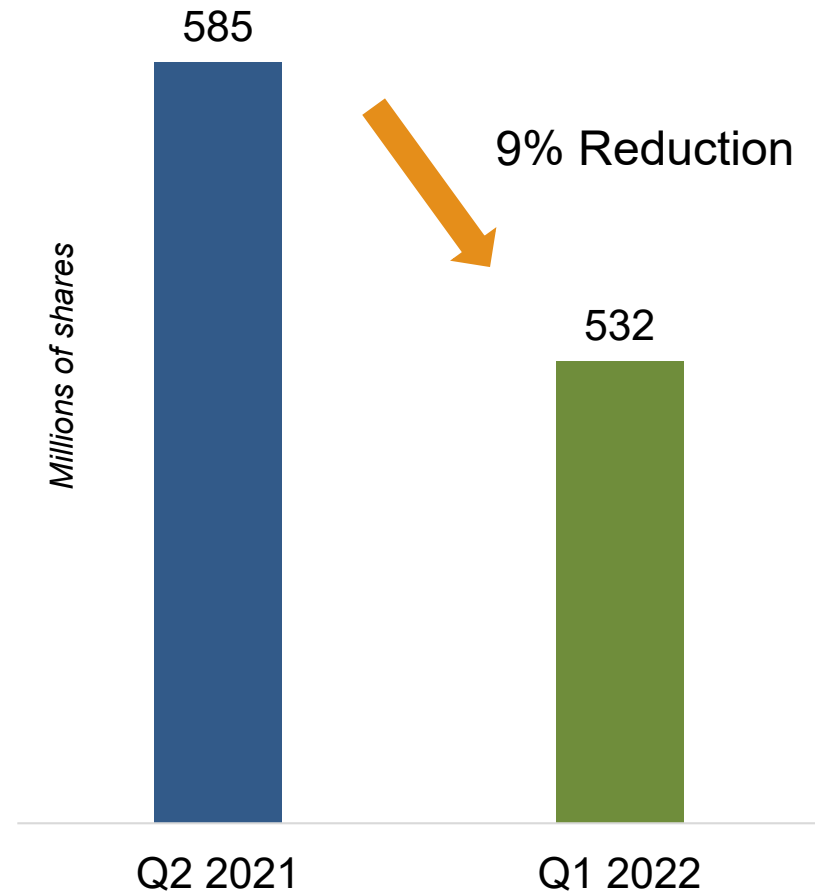
2021

- Completed redemption of all outstanding preferred shares with \$1.3 billion in cash
- Reduced the diluted share count by 9%

2022

- Announced \$1 billion share repurchase program
- Repurchased 1 million shares in Q1 2022
- Ample flexibility to buy up to a maximum of \$1 billion worth of shares
- Redeemed convertible notes on January 18, 2022

Diluted Share Count Evolution



ENVIRONMENTAL AND SUSTAINABILITY COMMITMENTS AND STRATEGY



Emissions Reductions Targets

Reduce GHG emissions 25% by 2030



Low CO₂ Intensity Blast Furnaces

Scope 1 and 2 emissions as low as 0.76/ton of crude steel produced



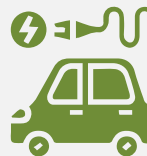
100% Natural Gas Based HBI

1.9 million metric tons of annual HBI capacity reduced with natural gas/hydrogen



New Scrap Recycling Presence

FPT is the leading recycler of prime ferrous scrap in North America



Technical Capabilities for EV Expansion

AHSS for lightweight EV bodies and electrical steel for EV motor and charging



Competitive Employee Pay

2021 median employee compensation of **\$125,396**

STEEL'S INEVITABILITY IN THE GREENING OF AMERICA

Wind Energy



Cliffs' plate

~130 tons of steel per MW

Solar Power



Cliffs' galvanized

~40 tons of steel per MW

Modern Electric Grid



Cliffs' GOES

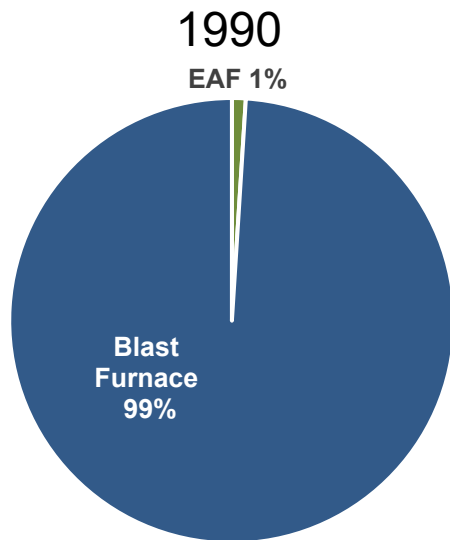
Infrastructure bill contains \$65 billion toward the modernization of the U.S. electric grid

MATERIALS CRITICAL FOR TRANSITION TO LOW-CARBON ECONOMY

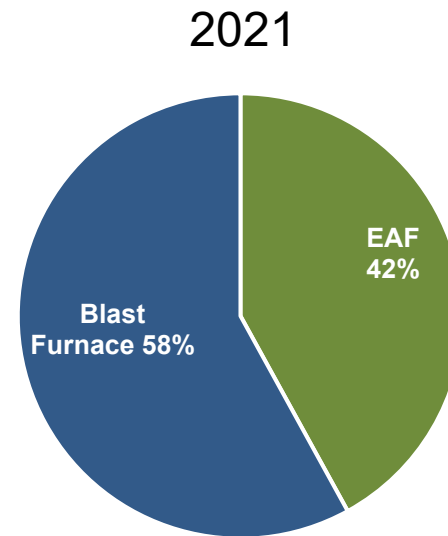
Importance Level : ● High ● Medium ● Low/None

	Electric Vehicles	Wind Power	Solar	Electricity Networks	Hydro	Nuclear	Geo-thermal	Hydrogen
STEEL	●	●	●	●	●	●	●	●
Copper	●	●	●	●	●	●	●	●
Aluminum	●	●	●	●	●	●	●	●
Nickel	●	●	●	●	●	●	●	●
Zinc	●	●	●	●	●	●	●	●
Silicon	●	●	●	●	●	●	●	●
Cobalt	●	●	●	●	●	●	●	●
Graphite	●	●	●	●	●	●	●	●
Manganese	●	●	●	●	●	●	●	●
Silver	●	●	●	●	●	●	●	●
Lithium	●	●	●	●	●	●	●	●
Platinum	●	●	●	●	●	●	●	●
Uranium	●	●	●	●	●	●	●	●

FLAT-ROLLED MINI-MILL MARKET PENETRATION



US Flat-Rolled Steel
Production Share



What impact has this had?

Prime scrap
demand:



Prime scrap
supply:



Flat-rolled EAF's are dependent on:

Prime
Scrap



Pig iron/
DRI/HBI



NOT ALL SCRAP IS CREATED EQUAL

OBSOLETE



- High residual/impurity levels including copper, tin, zinc, etc.
- Elastic supply base
- Generated from end of life steel-based products (old cars, appliances, etc.)
- United States exports 15-20 million tons annually

LONG PRODUCTS



- Generally can be produced with **100% obsolete scrap**
- Largest end market: **construction**
- Includes rebar, structural, wire, rail, beams
- Low carbon intensity due to minimal virgin metallic needs

PRIME



- Critical for flat-rolled steel production
- Prime scrap supply is sourced **directly from manufacturing** yield loss
- Inelastic supply
- United States currently imports **~2m gross tons of prime scrap annually**
- Estimated US demand for prime scrap and **metallics to increase** ~9m gross tons per year by 2025

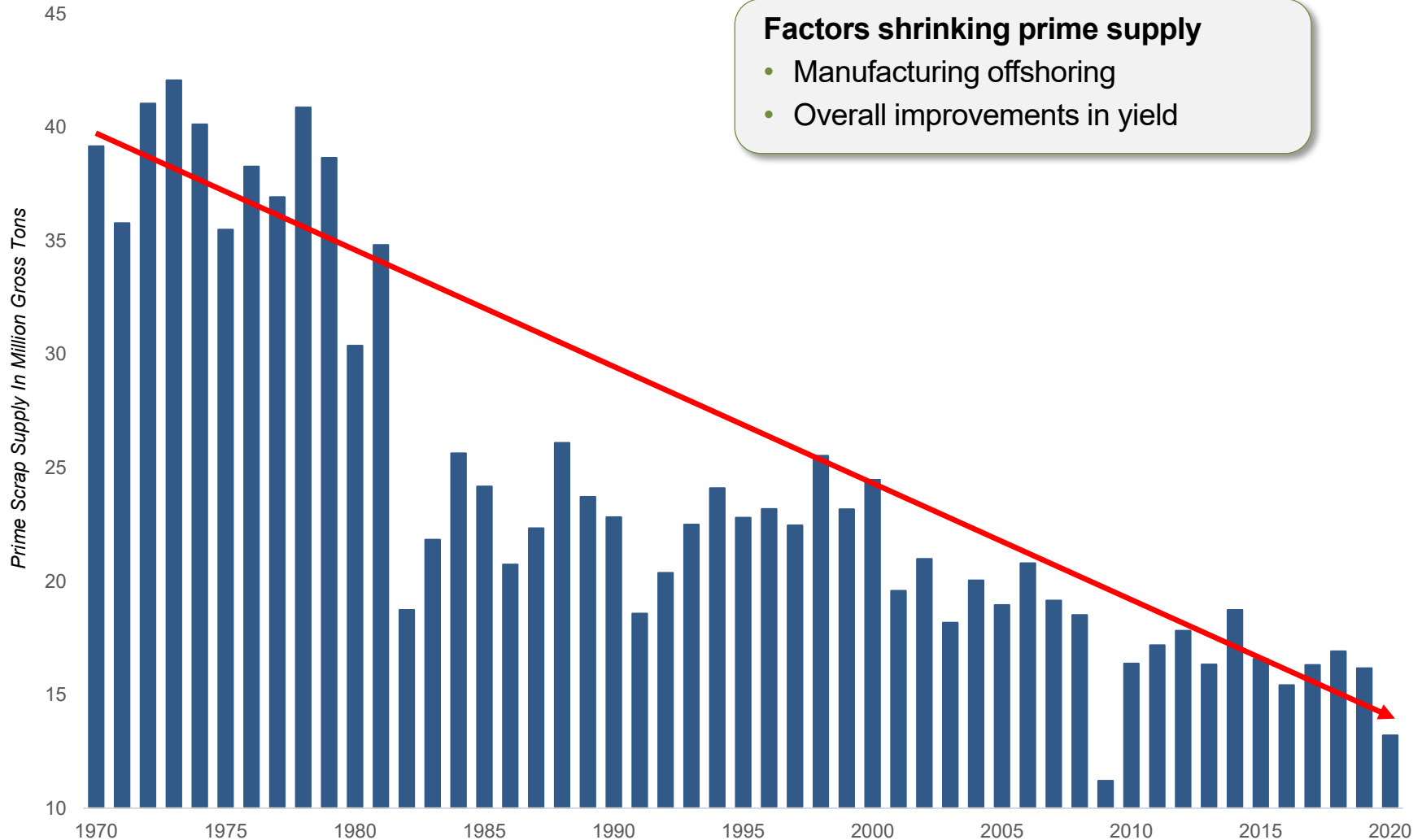
FLAT-ROLLED



- Requires low-residual, prime metallics as feedstock
- Most demanding functions **require ore-based metallics** (pig iron, DRI)
- Largest end market: **automotive**
- Includes hot-rolled, cold-rolled and coated steel

PRIME SCRAP SUPPLY HAS BEEN SHRINKING FOR 50 YEARS

Prime Scrap Supply (Including home scrap)



CLIFFS' INTERNAL SCRAP FOOTPRINT



Company Overview

- FPT is among the largest processors and distributors of prime ferrous scrap in North America
- **~3 million tons** of scrap metal processed per year
- Approximately **half** of total output is prime grade
- ~600 employees

Footprint

- 22 locations with primary emphasis on Midwest Region (primarily Michigan and Ohio)
- Headquartered in Detroit, Michigan
- **~90% of supply** from Midwest locations

Transaction Overview

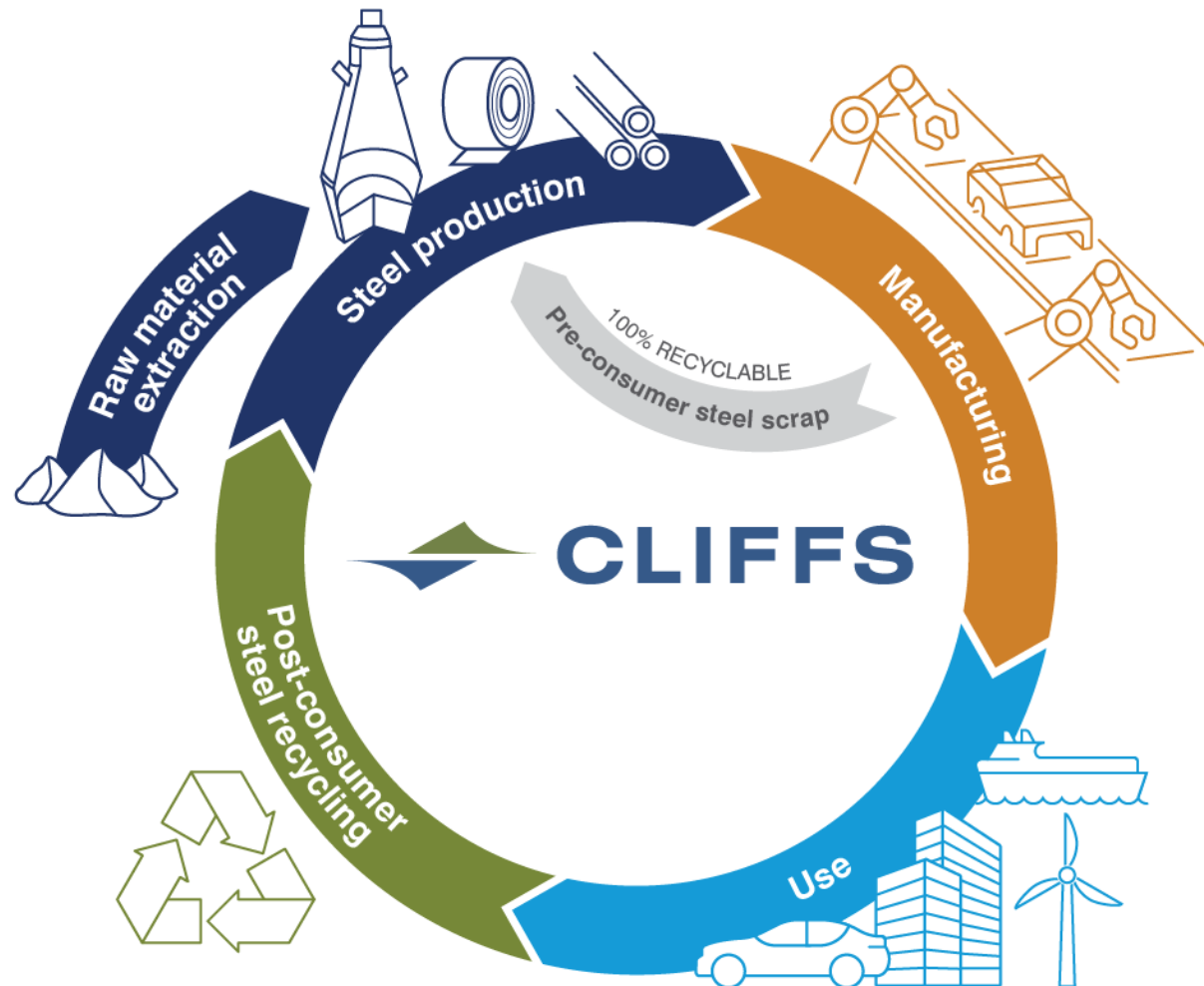
- \$775 million purchase price
- Paid in cash
- Transaction completed on 11/18/2021

Rationale

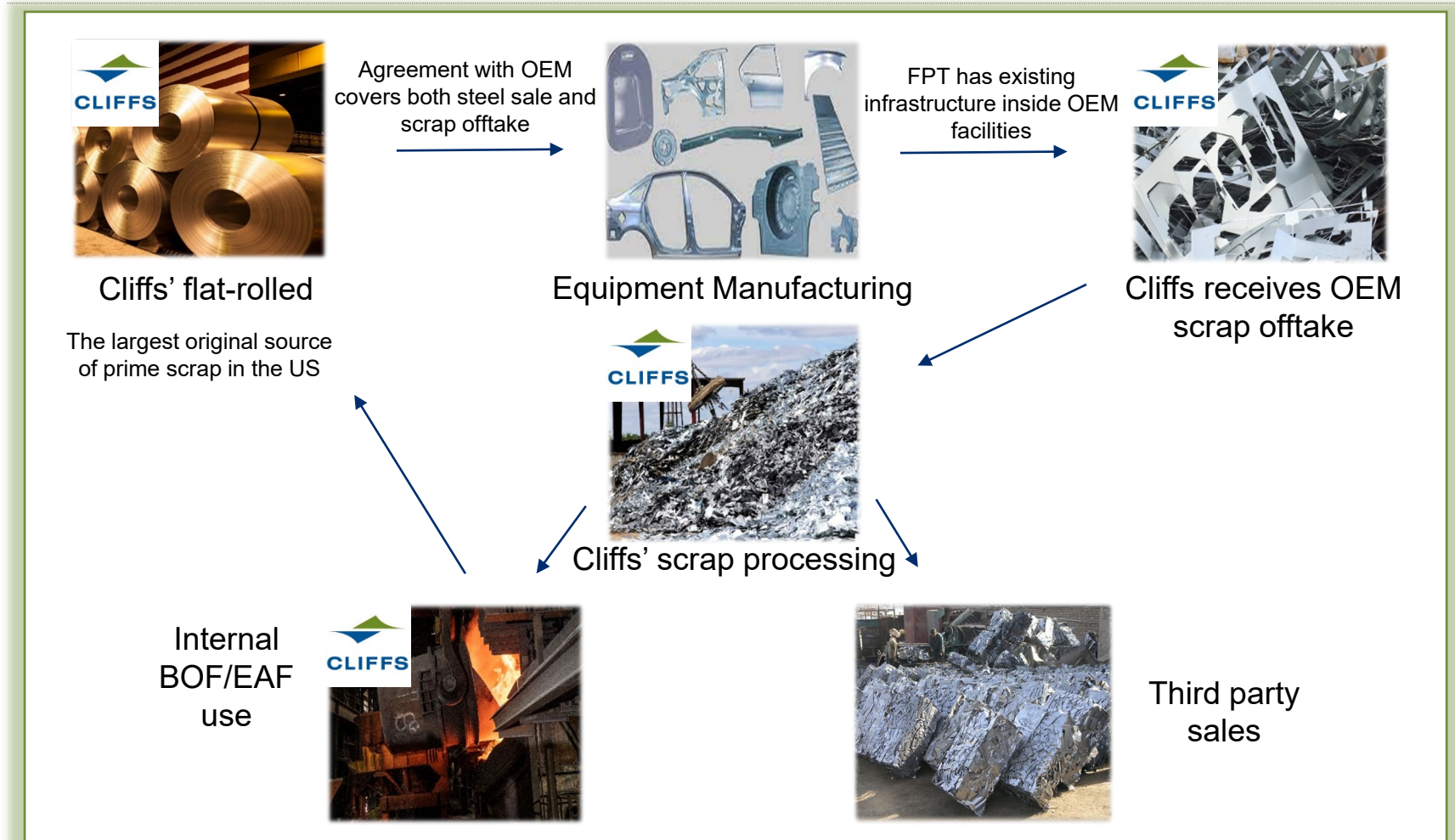
- Creates a platform for Cliffs to leverage flat-rolled automotive and other customer relationships into closed-loop recycling partnerships to grow prime scrap presence
- Secures substantial access to prime scrap, where demand is expected to grow
- Furthers commitment to environmentally-friendly, low-carbon intensity steelmaking with cleaner materials mix

A TRUE CLOSED-LOOP

CLOSED-LOOP STEEL RECYCLING



CLIFFS NOW COVERS THE ENTIRE STEEL LIFE CYCLE



Cliffs' position as the most prominent automotive steel supplier in the U.S. provides a compelling scrap offtake proposition for the OEMs

CLIFFS' FERROUS RAW MATERIAL PORTFOLIO



Prime Scrap

- Approximately half of FPT output is prime scrap
- Several existing scrap offtake arrangements with OEMs
- Have increased offtake arrangements with OEMs since FPT acquisition by 400,000/tons annually



Pellets

- 27 million gross ton capacity throughout 5 mines
- 85% less CO₂ intense than sinter
- Standard, Flux, and DR-grade qualities



HBI

- 1.9 million metric tons of annual capacity
- Used in blast furnaces, EAFs and BOFs
- Flexibility to utilize hydrogen reduction

ADVANTAGE OVER ALL OTHER U.S. FLAT-ROLLED PRODUCERS



CLIFFS



Zero reliance on imported ferrous raw materials

US Company A



Imports Russian/Ukrainian pig iron and slabs

US Company B



Imports Russian/Ukrainian pig iron

US Company C



Imports Russian/Ukrainian pig iron

US Company D



Imports slabs

US Company E



Imports Russian/Ukrainian pig iron

US Company F



Imports Russian slabs

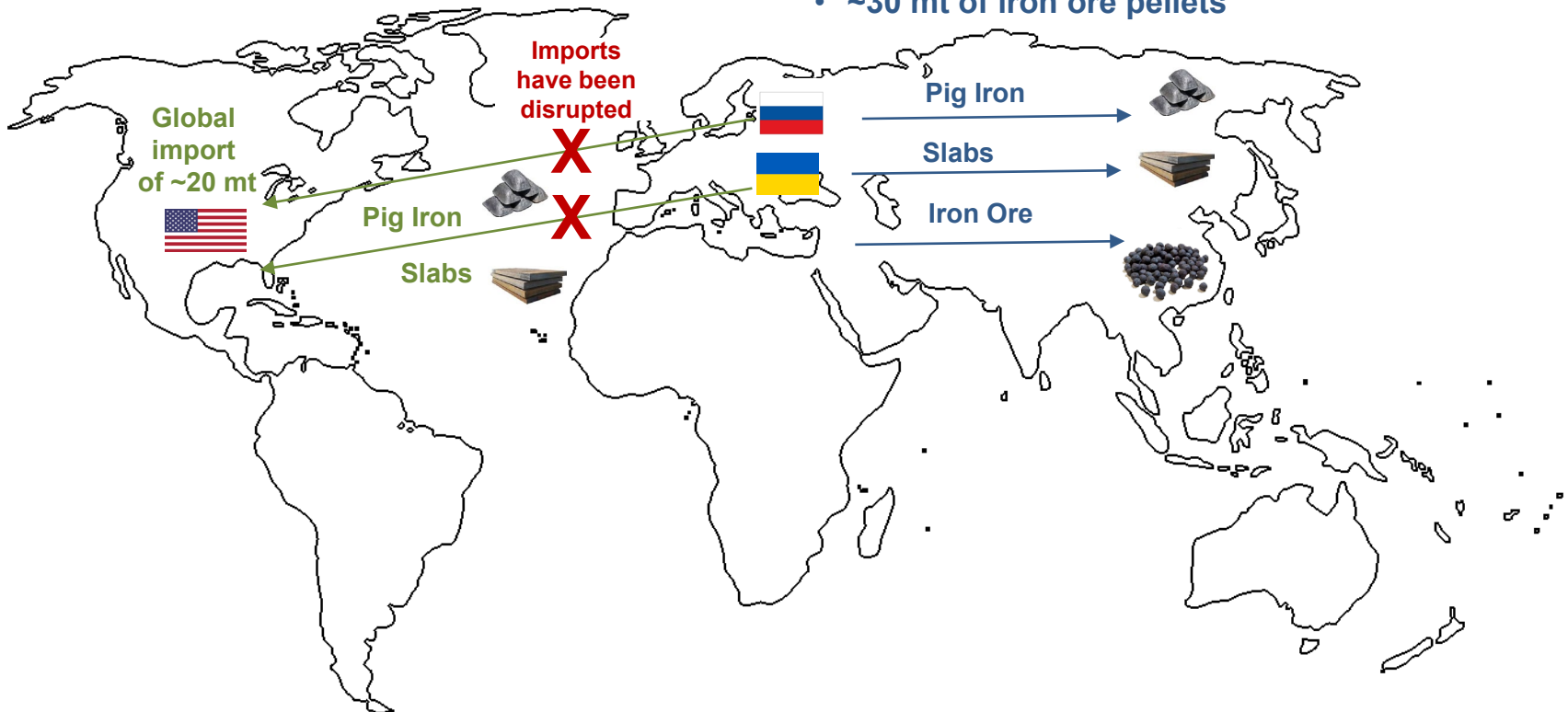
RUSSIA AND UKRAINE EXPORTS

U.S Imports from Russia/Ukraine

- ~4 mt of pig iron
- ~3 mt total steel
- ~2 mt of semi-finished steel

Russia and Ukraine Global Exports

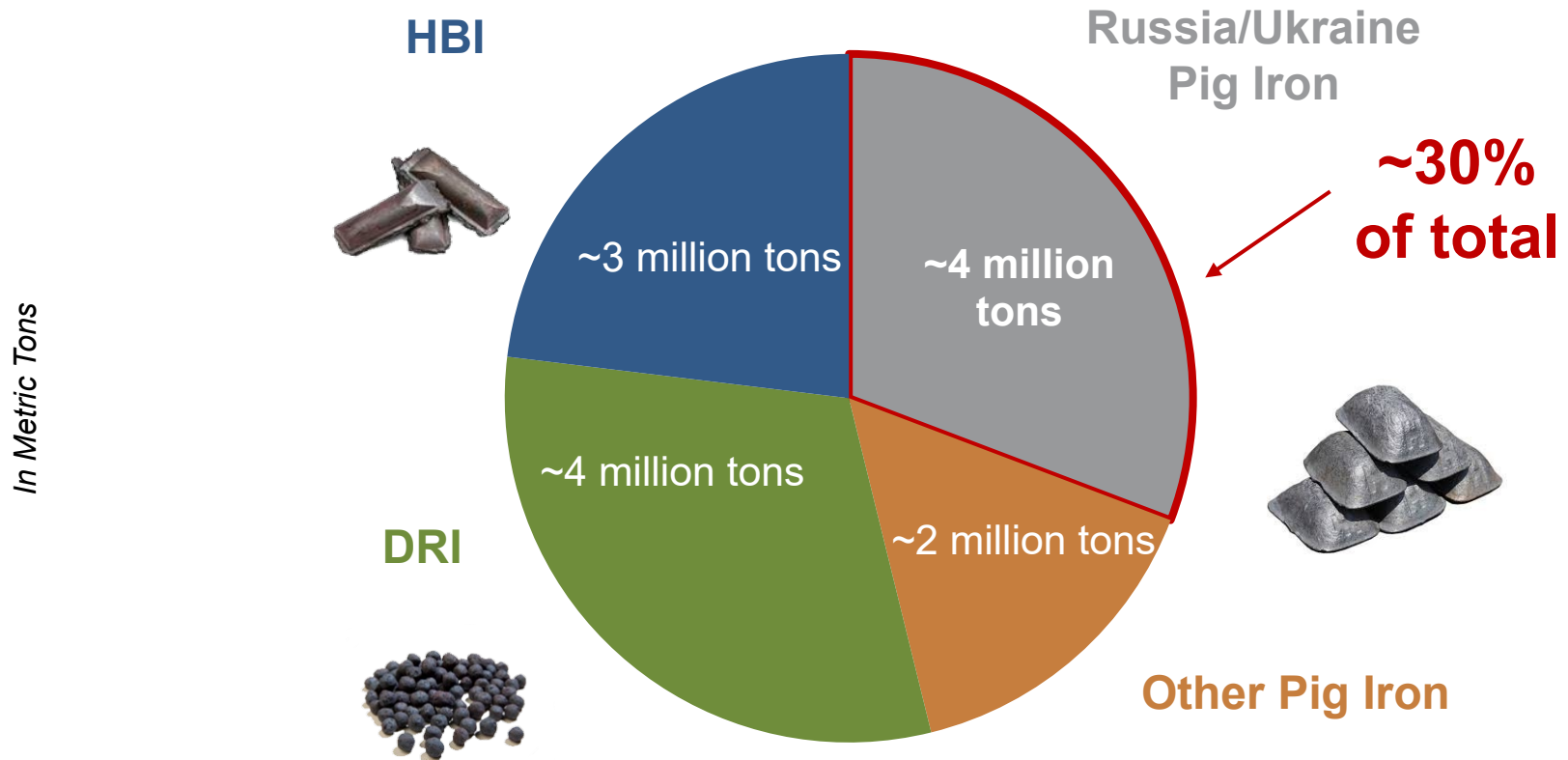
- ~7 mt of pig iron
- ~45 mt of steel
- ~21 mt of semi-finished steel
- ~30 mt of iron ore pellets



Russia and Ukraine are 2 of the 5 largest net steel exporters in the World

U.S. ORE BASED METALLIC CONSUMPTION

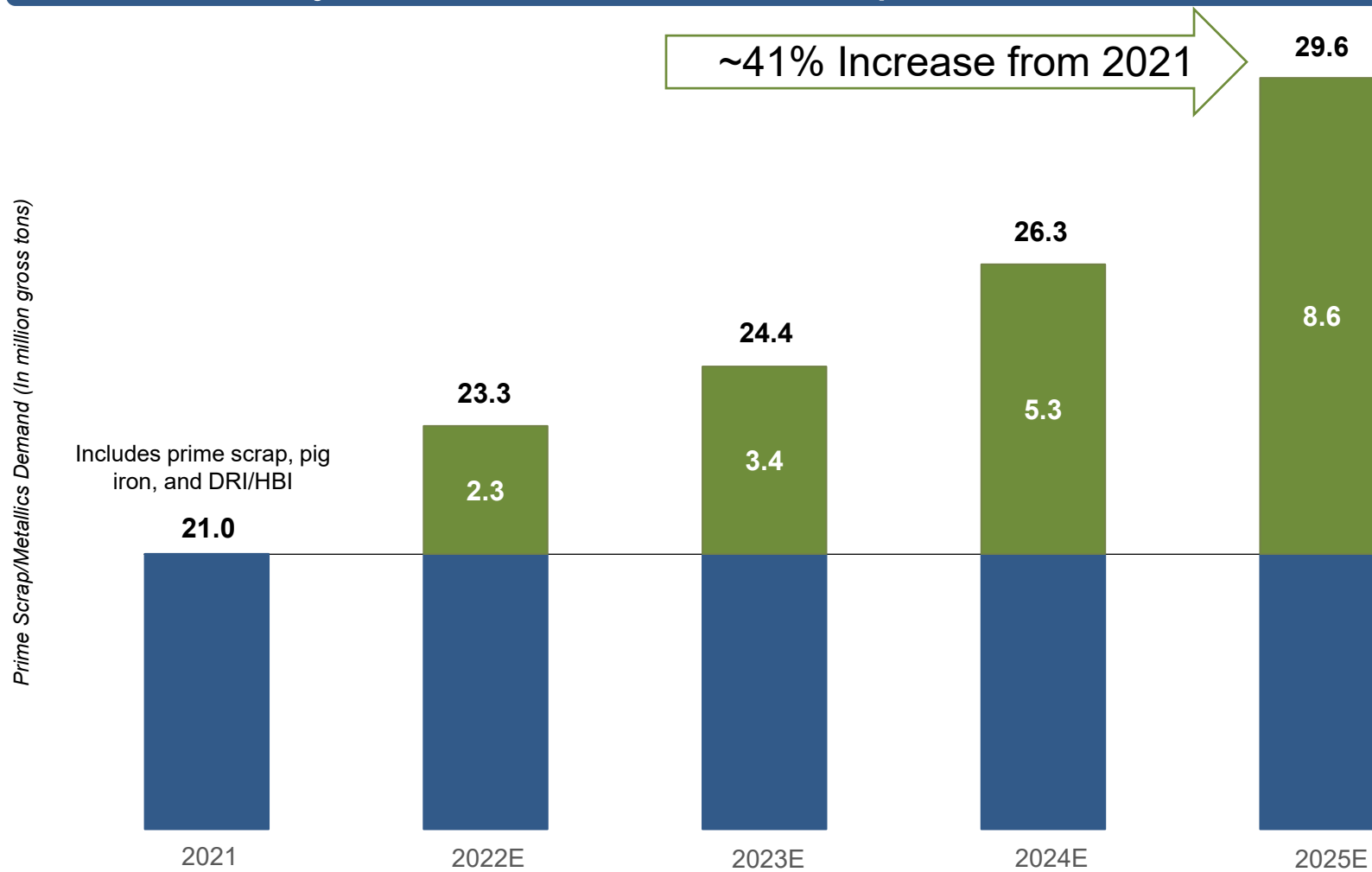
Unlike other flat-rolled producers, Cliffs does not rely on imported pig iron



~13 million tons of total U.S. ore based metallic consumption

PRIME/METALLICS DEMAND WILL GROW >40% OVER THE NEXT 4 YEARS

Projected North America Net Prime Scrap / Metallics Demand



STEEL INDUSTRY CO₂ EMISSIONS

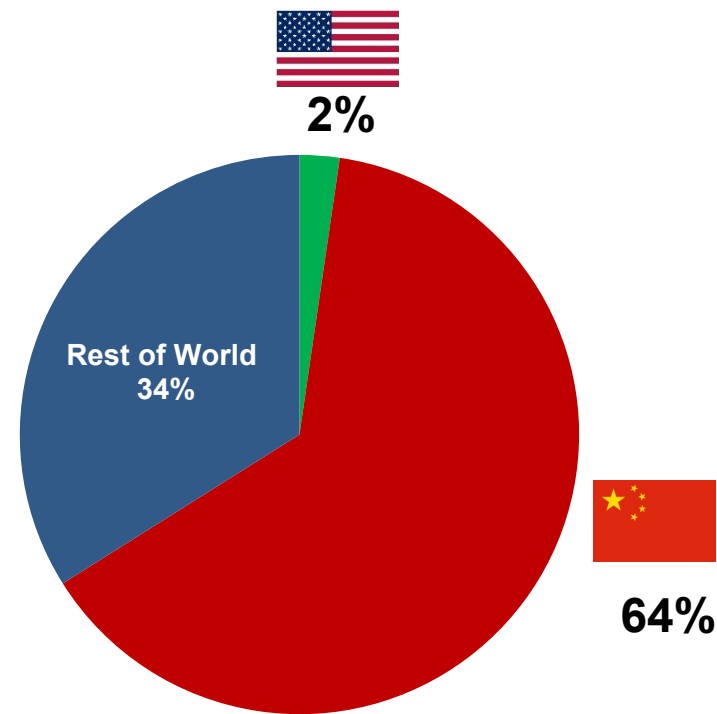
Total Steel CO₂ Emissions

Annual tons of CO₂ Emissions from the steel industry



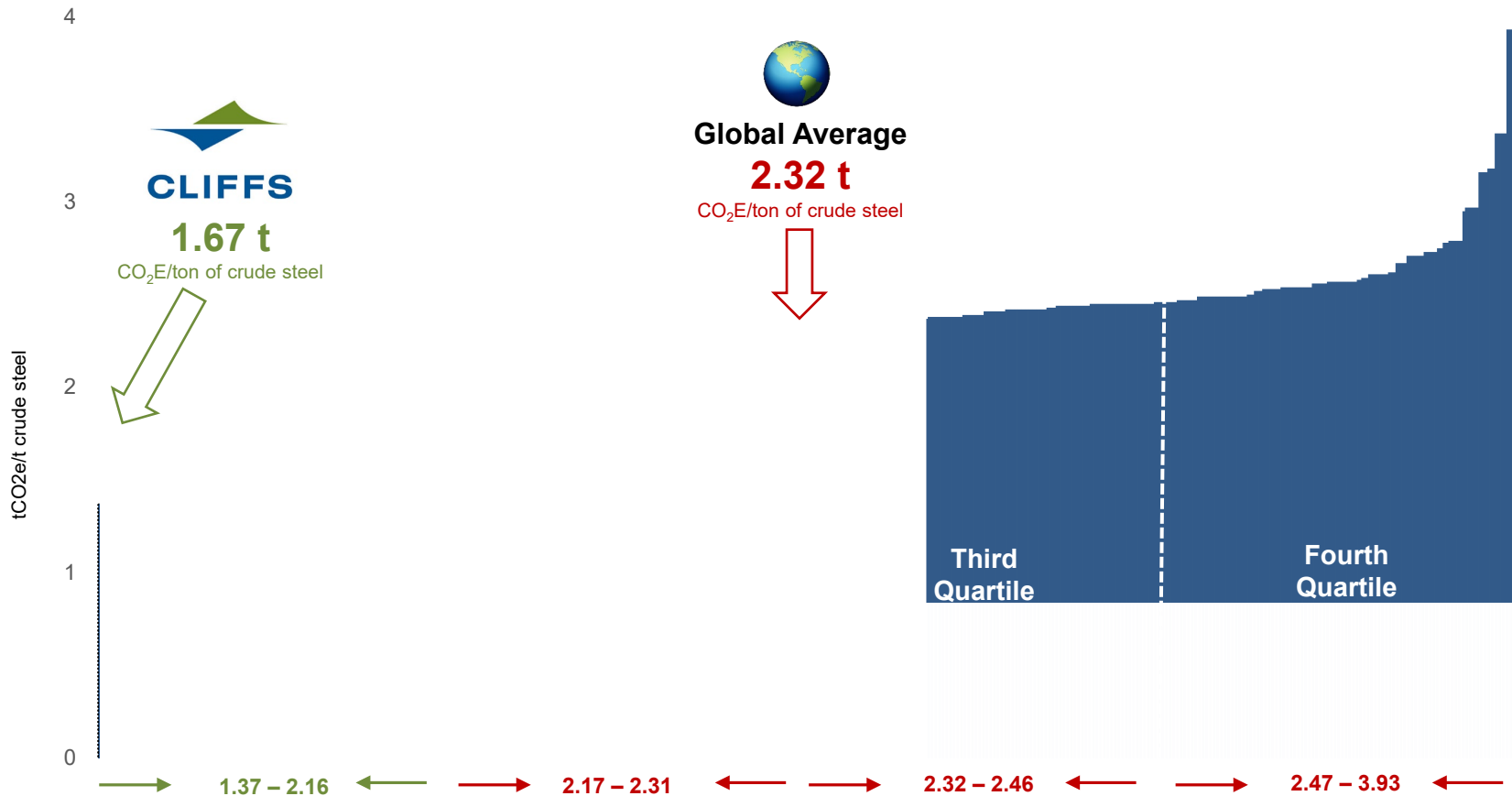
Global Steel CO₂ Emissions Share

Total emissions generated by steel industry annually



The U.S. is not the source of the problem

CO₂ GLOBAL EMISSIONS CURVE – BF-BOF



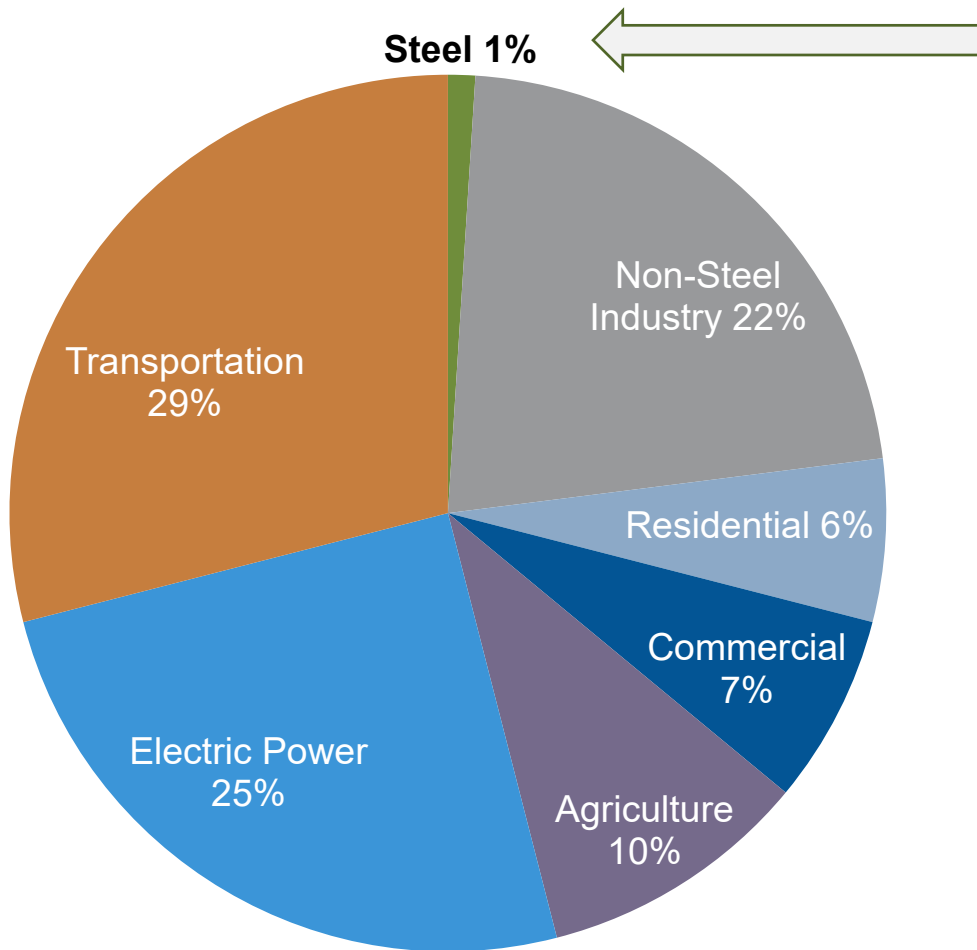
CLIFFS' INTEGRATED MILLS USE BEST ENVIRONMENTAL PRACTICES

		Global Practice		Cliffs	
IRON ORE		Dirty Sintered Iron Ore Fines	X	Green Iron Ore Pellets	✓
COKE		High Coke Rates	X	Low Coke Rates	✓
METALLICS		Minimal/No Metallics Usage	X	Metallics Usage	✓
NATURAL GAS		Minimal Natural Gas Injection	X	Massive Natural Gas Injection	✓
PIG IRON		High Liquid Pig Iron Charge	X	Optimal Liquid Pig Iron Charge	✓
SCRAP		Minimal Scrap Charge	X	Maximum Scrap Charge	✓

Cliffs' total CO₂E per ton of 1.67 for BF-BOF operations substantially less than global integrated peers (Scope 1 and 2)

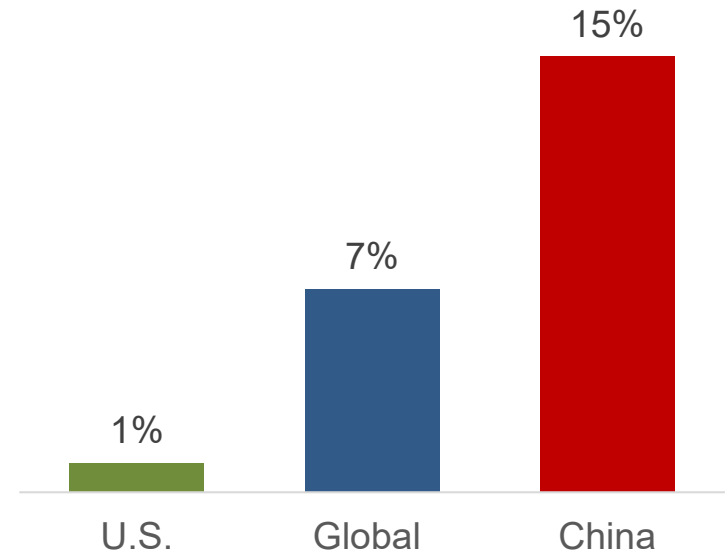
UNITED STATES GREENHOUSE GAS EMISSIONS BY ECONOMIC SECTOR

U.S. GHG Emissions Share



- Domestic steel industry accounts for 1% of total U.S. emissions
- Global average: 7% of total global emissions

Steel Emissions Share



STEEL EMISSIONS VS. OTHER MATERIALS

CO₂ emissions intensity adjusted for part weight (Scope 1 and 2)

Each material adjusted to its equivalent of 1 metric ton of steel



Cliffs BF/BOF Steel (1 mt)



1.67

Aluminum (670 kg)



6.0

Carbon Fiber (450 kg)



9.9

Magnesium (500 kg)



15.3

NATURAL GAS BASED HBI



**Production
Capacity**

**1.9 million
metric tons**

Hot Briquetted Iron



Cliffs' Blast Furnaces

Cliffs' EAFs

Cliffs' BOFs

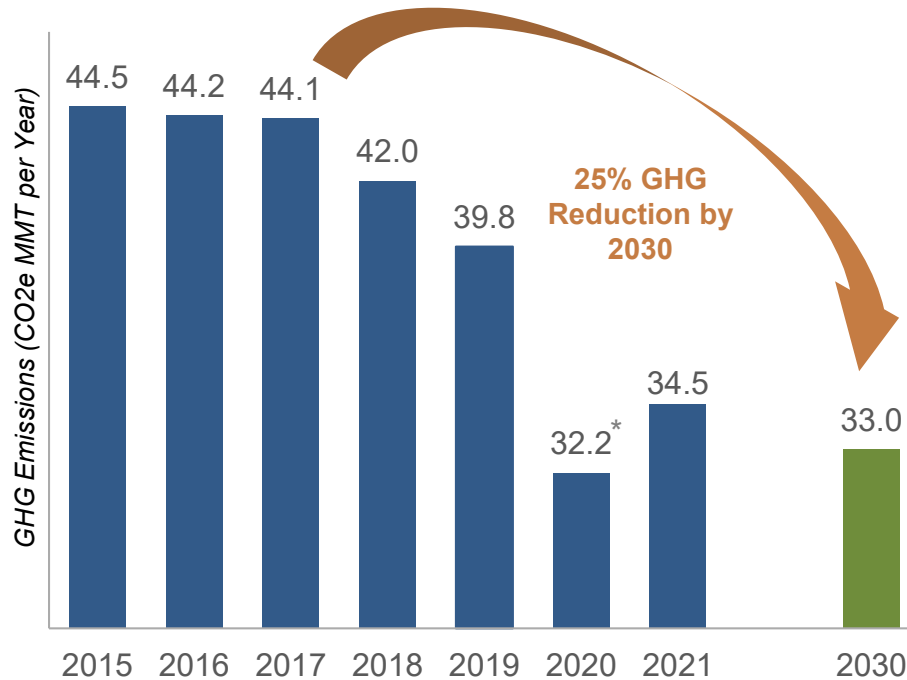
**EMISSIONS
REDUCTION**

- Reduced with 100% natural gas
- 70% less CO₂ emissions than foreign pig iron
- Planning to implement hydrogen in 2022

GHG REDUCTION COMMITMENT

25% GHG Reduction by 2030

Scope 1 and Scope 2 Emissions



How we will accomplish

- ✓ Use of HBI in blast furnaces
- ✓ Stretching hot metal with additional scrap
- ✓ Natural gas injection in blast furnaces
- ✓ Clean energy and energy efficiency projects
- ✓ Carbon capture

Cleveland-Cliffs' BF-BOF GHG Intensity was reduced from **1.82/t** in 2020 to **1.67/t** in 2021

TRACK RECORD OF EXCELLENT LABOR PARTNERSHIPS

In 2021. . .



New 3-Year Labor Contract with United Auto Workers at Rockport Works



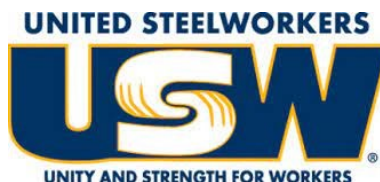
New 3-Year Labor Contract with United Auto Workers at Dearborn Works



New 4 ½ Year Labor Contract with UAW at Mansfield Works



New Labor Agreement with IAM Members for Middletown Works



RECENT RECOGNITION



S&P Global Platts 2021 Deal of the Year



S&P Global Platts 2021 Metals Company of the Year



S&P Global Platts 2021 CEO/Chairperson of the Year



AIST 2021 Steelmaker of the Year



General Motor's 2021 Supplier of the Year for Fifth Straight Year



AMM/Fastmarkets 2021 Steel Advocate of the Year



AMM/Fastmarkets 2021 Scrap Company of the Year (FPT)



