



Cleveland-Cliffs Inc.

Investor Presentation

JULY 2021

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: disruptions to our operations relating to the 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; continued volatility of steel and iron ore 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 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 COVID-19 pandemic; severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges, due to the 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; our ability to return capital to shareholders within the expected timeframe or at all, depending on market and other conditions; risks related to U.S. government actions with respect to Section 232 of the Trade Expansion Act (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 climate change and other environmental regulation that may be proposed under the Biden Administration, 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 cash flow necessary to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business; adverse changes in credit ratings, interest rates, foreign currency rates and tax laws; limitations on our ability to realize some or all of our deferred tax assets or net operating loss carryforwards; our ability to realize the anticipated synergies and benefits of our acquisitions of AK Steel and ArcelorMittal USA and to successfully integrate the businesses of AK Steel and ArcelorMittal USA into our existing businesses, including uncertainties associated with maintaining relationships with customers, vendors and employees; additional debt we assumed, incurred or issued in connection with the acquisitions of AK Steel and ArcelorMittal USA, as well as additional debt we incurred in connection with enhancing our liquidity during the COVID-19 pandemic, may negatively impact our credit profile and limit our financial flexibility; known and unknown liabilities we assumed in connection with the acquisitions of AK Steel and ArcelorMittal USA, including significant environmental, pension and other postretirement benefits ("OPEB") obligations; the ability of our customers, joint venture partners and third-party service providers to meet their obligations to us on a timely basis or at all; supply chain disruptions or changes in the cost or quality of energy sources or critical raw materials and supplies, including iron ore, industrial gases, graphite electrodes, scrap, chrome, zinc, coke and coal; liabilities and costs arising in connection with any business decisions to temporarily idle or permanently close a mine or production facility, 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 mine or production facility; problems or disruptions associated with transporting products to our customers, moving 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; our level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks; disruptions in, or failures of, our information technology systems, including those related to cybersecurity; our ability to successfully identify and consummate any strategic investments or development projects, cost-effectively achieve planned production rates or levels, and diversify our product mix and add new customers; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether we are able to replace depleted reserves with additional mineral bodies to support the long-term viability of our operations; the outcome of any contractual disputes with our customers, joint venture partners, lessors, or significant energy, raw material or service providers, or any other litigation or arbitration; our ability to maintain our social license to operate with our stakeholders, including by fostering a strong reputation and consistent operational and safety track record; our ability to maintain satisfactory labor relations with unions and employees; availability of workers to fill critical operational positions and potential labor shortages caused by the COVID-19 pandemic, as well as our ability to attract, hire, develop and retain key personnel, including within the acquired AK Steel and ArcelorMittal USA businesses; 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; 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, 2020, and other filings with the SEC.

CLEVELAND-CLIFFS



Largest flat-rolled steel producer in North America following 2020 acquisitions AK Steel and ArcelorMittal USA



Fully integrated from raw materials to primary steelmaking to downstream stamping, tooling, and tubing



Steel market leader in automotive industry sales and quality

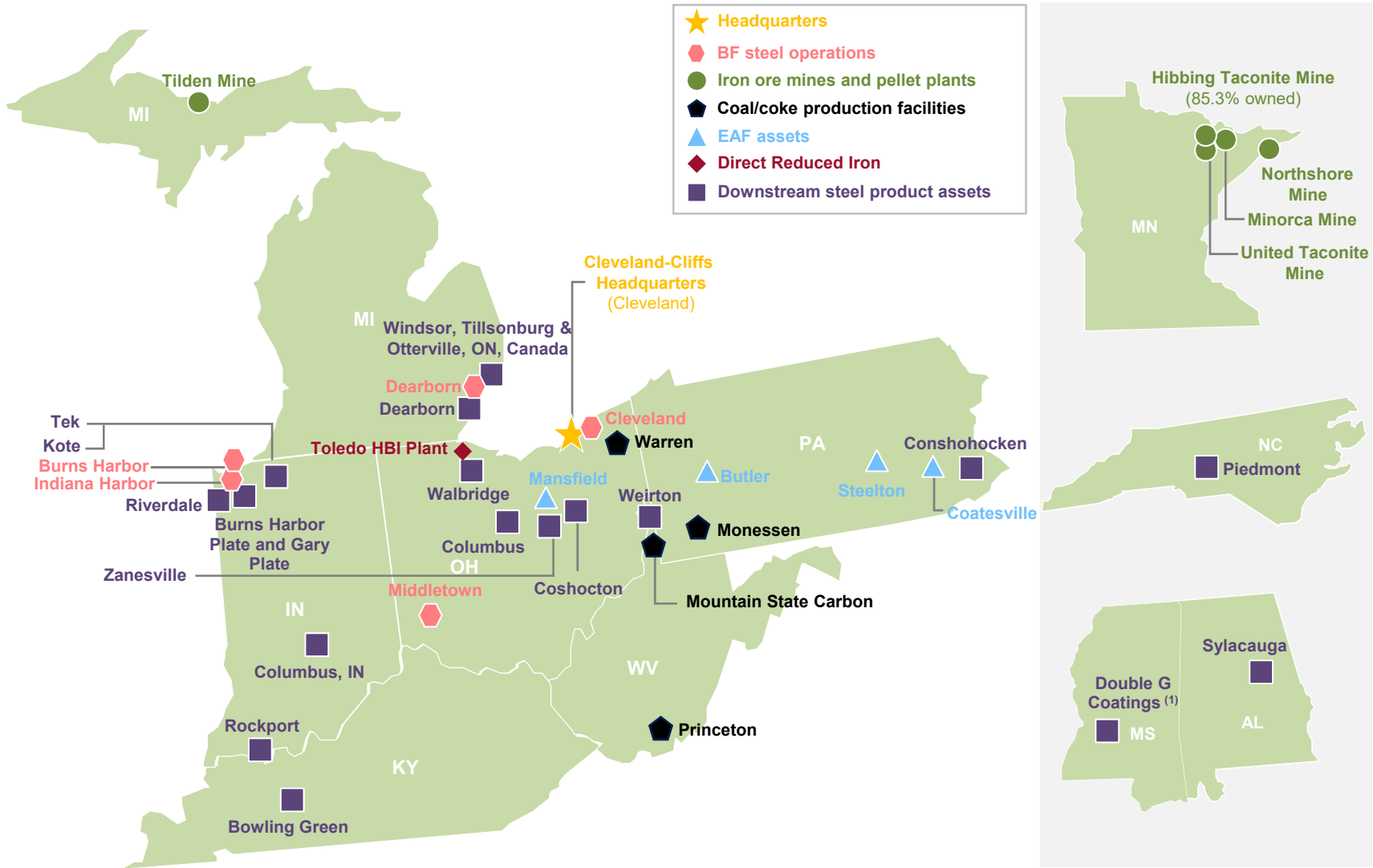


Track record of cost synergy achievement, commercial excellence, and disciplined approach to supply



Full commitment to ESG policies including aggressive GHG emissions reduction and inclusive capitalism

OPERATIONAL FOOTPRINT



Note: Does not include Spartan and Combined Metals Joint Ventures; Precision Partners Tennessee Facility; Research and Innovation Center in Middletown, OH (1) 50/50 Partnership with U.S. Steel.

DIFFERENTIATED, FULLY-INTEGRATED BUSINESS MODEL

✓ Vertically integrated in steelmaking raw materials

Pellets



Metallics



Coal/Coke



✓ Pro forma annual shipments of approximately 17 million tons

Steel Making



✓ Industry leading automotive market share

Finishing



✓ Innovative and diverse downstream capabilities

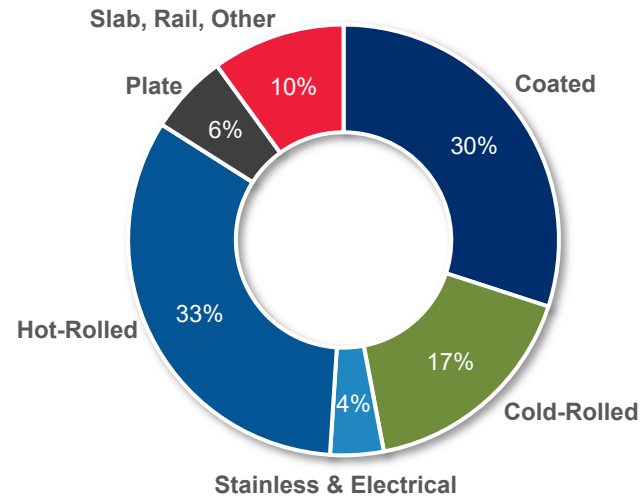
Downstream



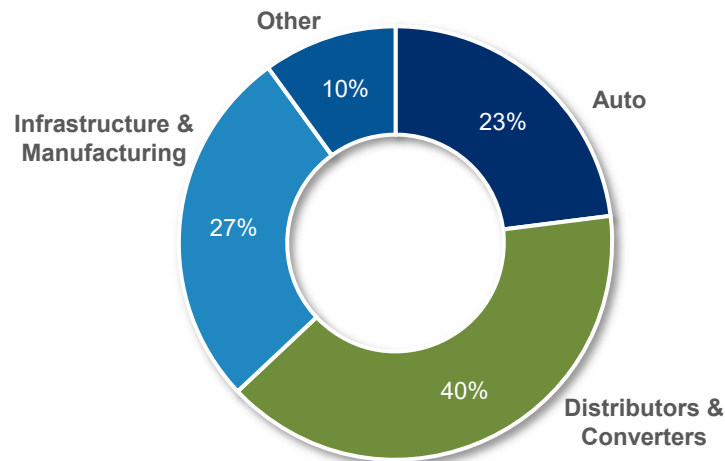
DIVERSIFIED END MARKETS WITH FOCUS ON VALUE ADDED PRODUCTS



Product Mix



End Market Mix



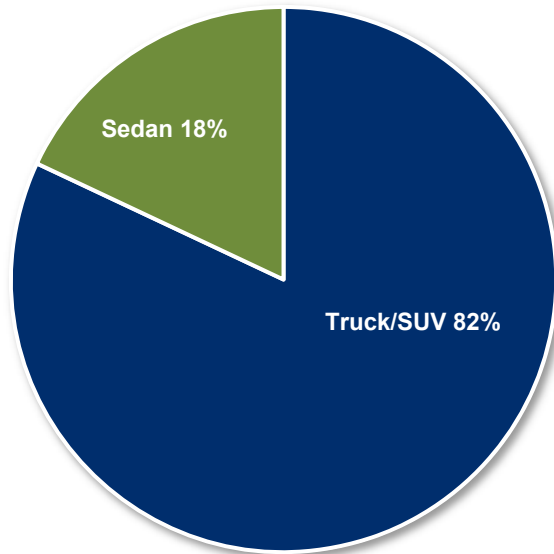
Extensive Product Offering

- ✓ 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

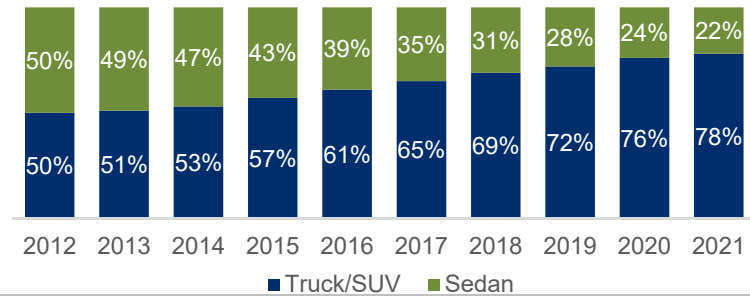
INDUSTRY LEADING AUTOMOTIVE MARKET SHARE

- Dealer inventories have reached 23 DSO in 2021, an all-time low
- SAAR has reached ~18.5 million units in 2021, the highest level of month sales since July 2005
- Truck and SUV sales have led the recovery

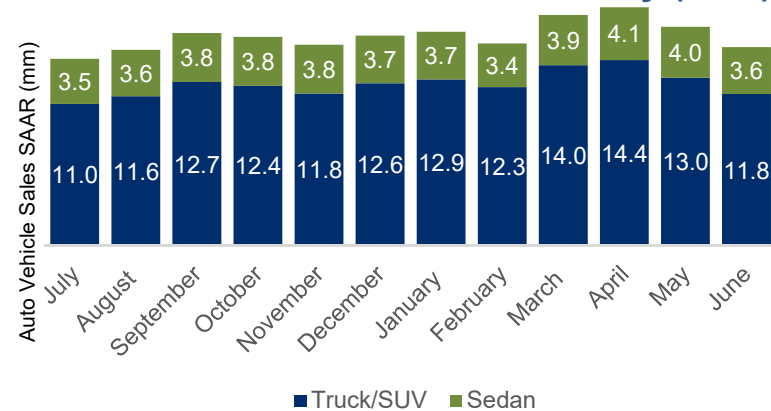
Cliffs' End Product Mix



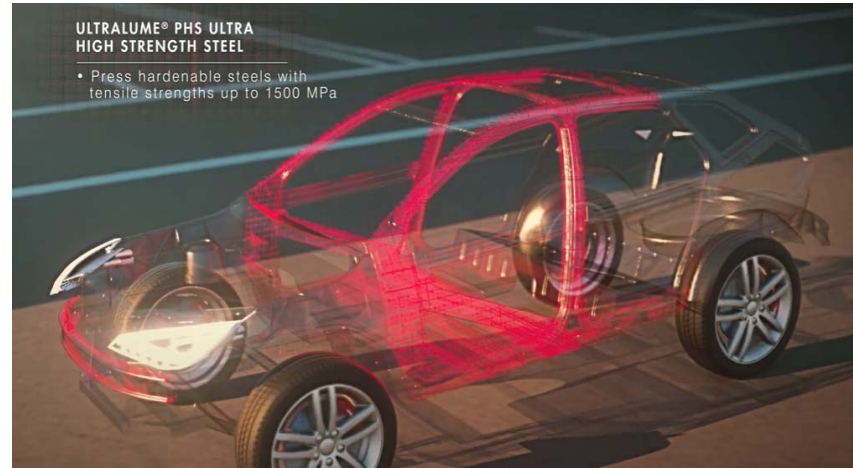
U.S. Auto Market Trend



U.S. Automotive Demand Recovery (TTM)



STEEL FOR THE VEHICLE OF TOMORROW



STRATEGIC OVERVIEW



Operational

Asset optimization, logistics efficiencies, economies of scale maximization



Commercial

Disciplined, value over volume approach



Financial

Use free cash flow to pay down debt (stated mission to achieve zero net debt)

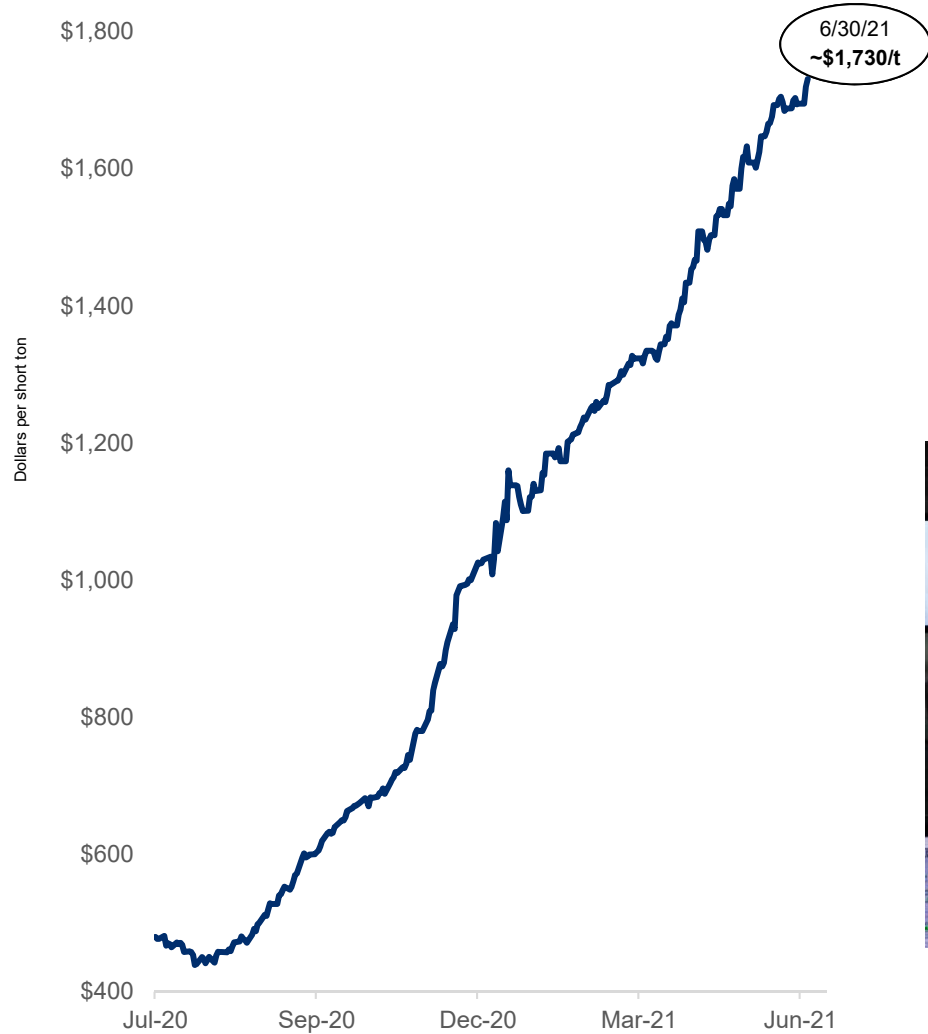


ESG

Reduce industry CO₂ footprint, enhance disclosures, and embrace inclusive capitalism

STRONGER FOR LONGER PRICE ENVIRONMENT

US HRC PRICING

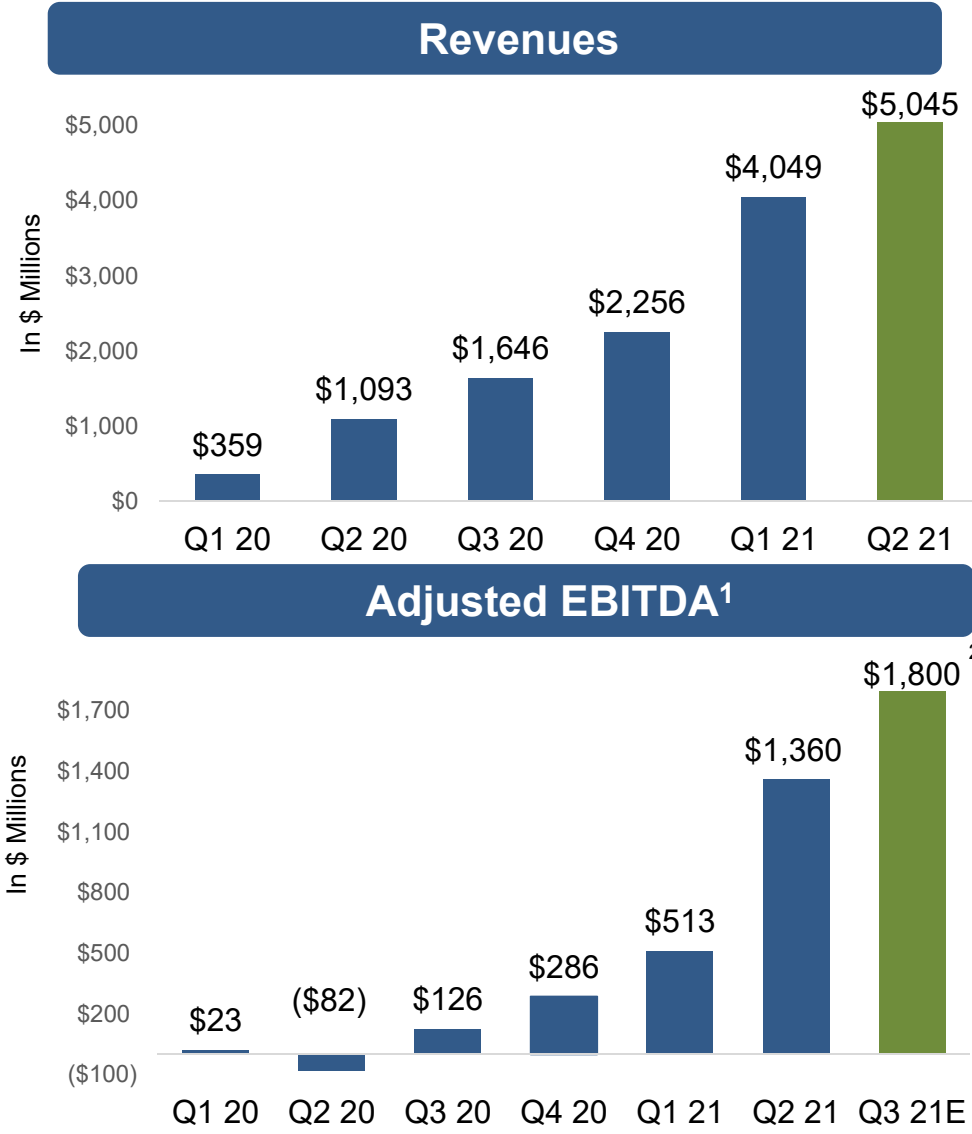


Pricing Sustainability Factors

- ✓ Robust demand
- ✓ Industry consolidation
- ✓ Disciplined supply approach
- ✓ Scarcity of prime scrap



RECORD LEVEL FINANCIAL PERFORMANCE AND OUTLOOK



¹ Reconciliations for Adjusted EBITDA can be found in Forms 10-K, 10-Q and 8-K filed with the SEC

² Outlook as of July 22, 2021

³ We are unable to reconcile, without unreasonable effort, our expected Adjusted EBITDA to its most directly comparable GAAP financial measure, net income, due to the uncertainty and inherent difficulty of predicting the occurrence and the financial impact of items impacting comparability.

STEEL'S INEVITABILITY IN OUR FUTURE WORLD

Electric Vehicles



Cliffs' AHSS, stainless,
and NOES

Modern Electric Grid



Cliffs' GOES

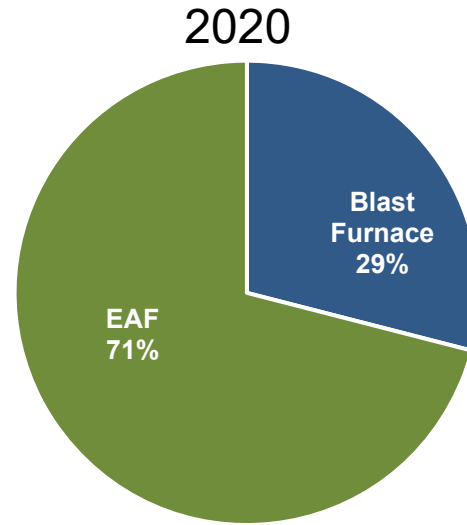
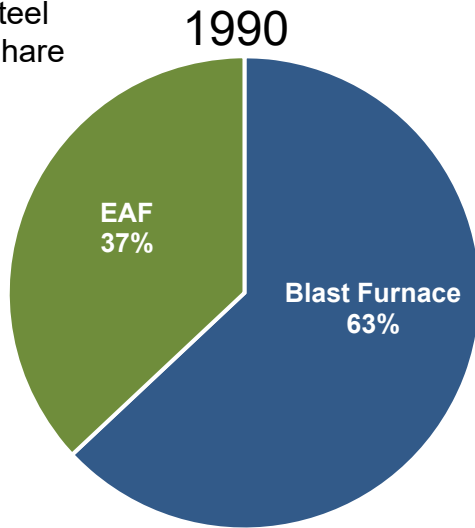
Sustainable Energy



Cliffs' carbon steel and
plate

IN THE LAST 30 YEARS, AMERICAN STEEL PRODUCTION BECAME DIFFERENTIATED AMONG MAJOR STEELMAKING COUNTRIES

Domestic Steel Production Share



What impact has this had?

Flat-rolled EAF's are dependent on:

Prime scrap demand:



TTM Busheling Scrap



Prime scrap generation:



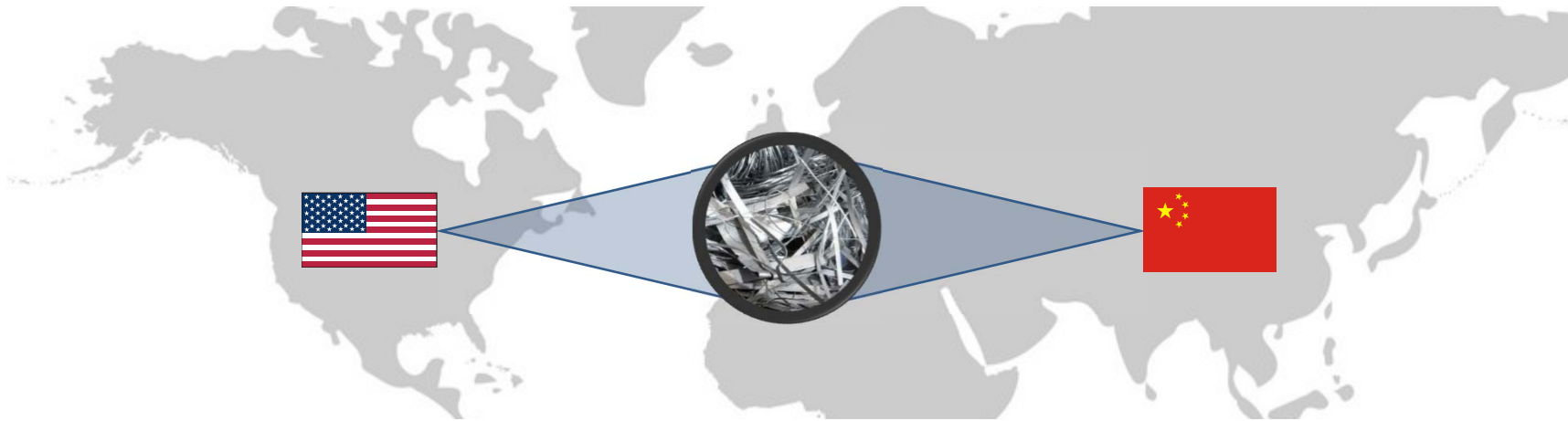
Busheling Scrap



Pig iron/ DRI/HBI

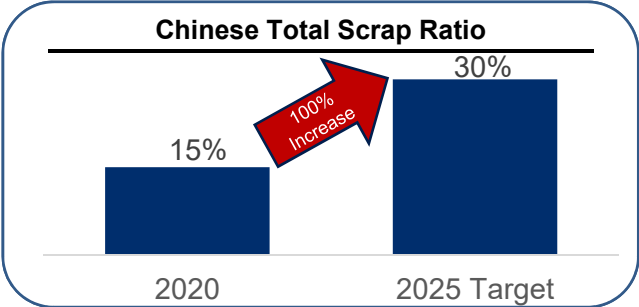


PRIME SCRAP IS A PRECIOUS METAL



More than 10mt of EAF capacity additions

The block contains logos for six steel companies: BRS (Big River Steel), Steel Dynamics, Inc., USS, BlueScope, AM/NS Calvert, and Nucor.



IMPORTANT FACTORS

- U.S. prime scrap supply is inelastic
- China's scrap collection infrastructure not fully developed
- Deterioration of US scrap quality
- Need blast furnaces/DRI for prime grades

EAF FEEDSTOCK HAS AND WILL BECOME STRETCHED MORE THIN

Electric Arc Furnace Iron Feedstock

Cliffs' Iron Feedstock



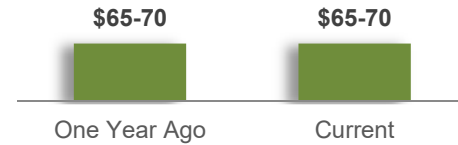
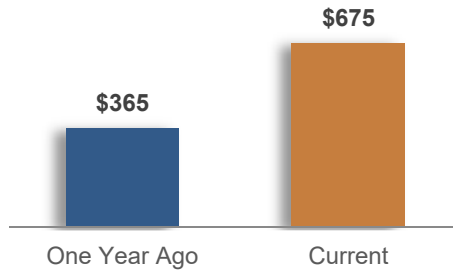
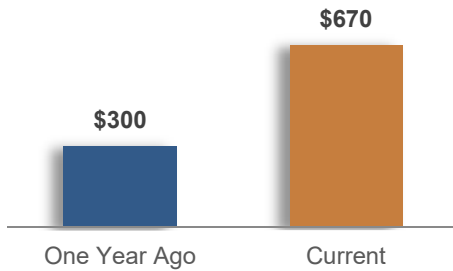
Busheling Cost
(per long ton)



Pig Iron Cost
(per metric ton)



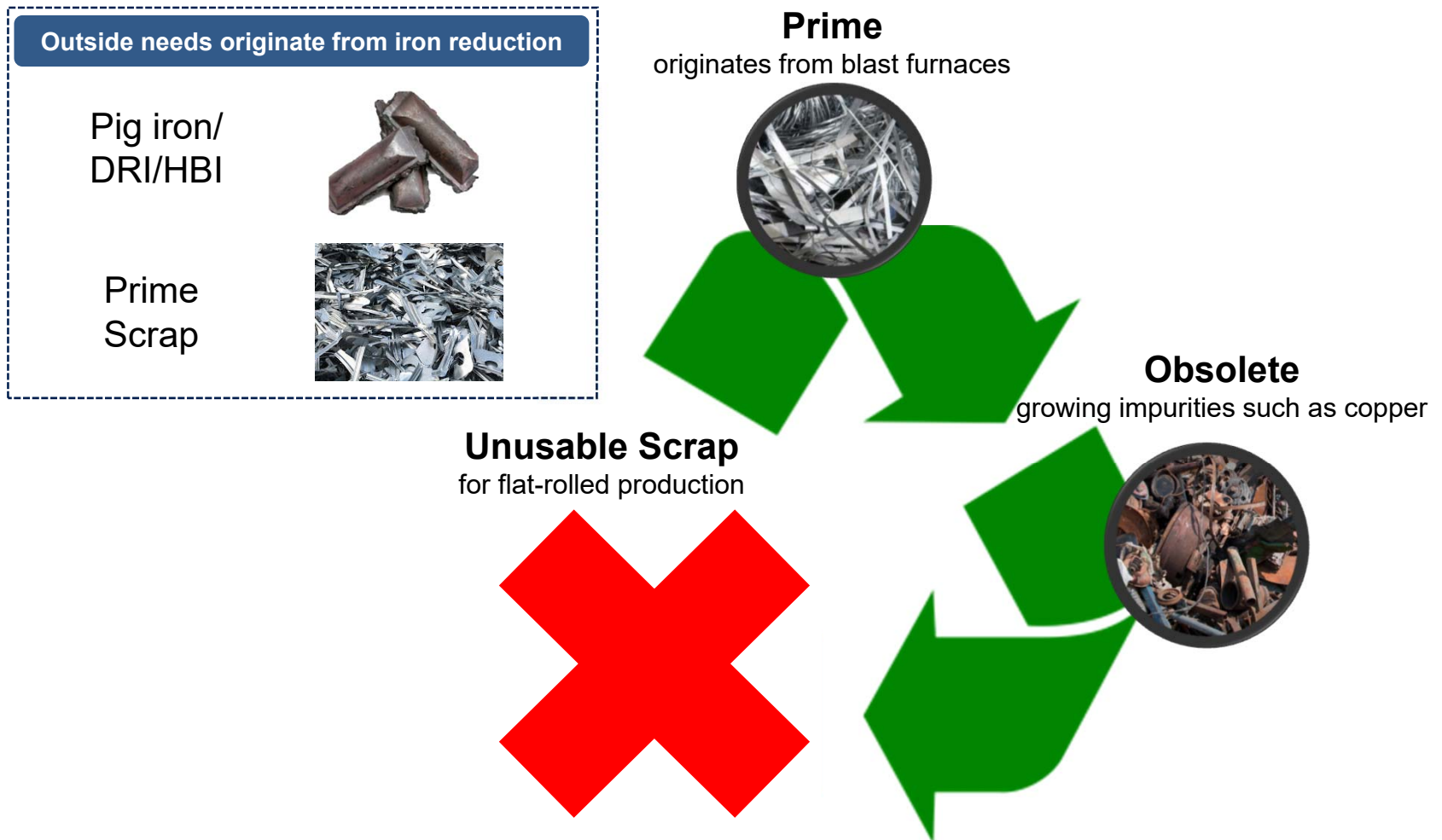
Pellet Cost
(per long ton)



Variable cost does not equal “low cost”

Additional EAF capacity helps, not hurts, the Cliffs business model

SCRAP CANNOT BE USED IN A CLOSED LOOP



EAFs will continue to rely on iron reduction from outside sources (prime scrap, pig iron, DRI/HBI) to make flat-rolled steel

THE PROBLEM IS GLOBAL WARMING, AND CO₂ IS THE PROXY

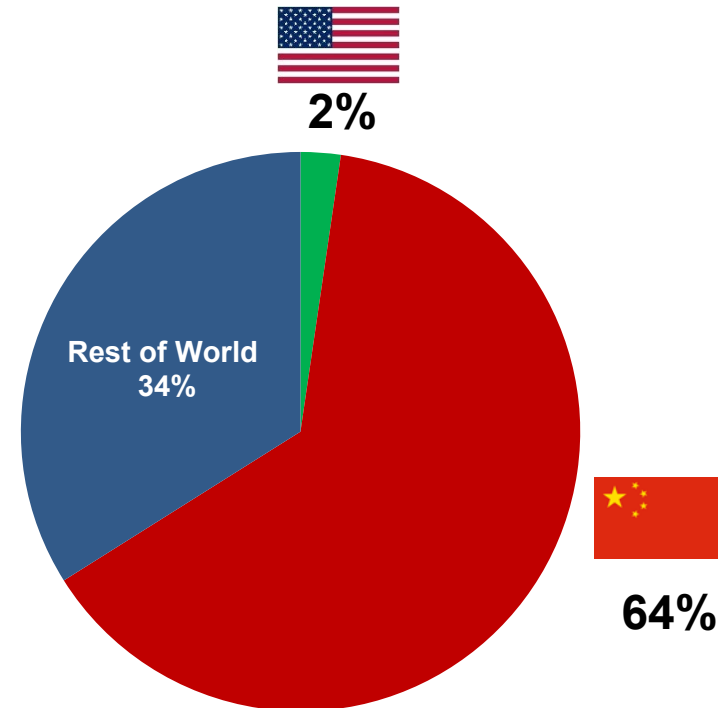
Total Steel CO₂ Emissions

Annual tons of CO₂ Emissions from the steel industry



Global Steel CO₂ Emissions Share

Total emissions generated by steel industry annually

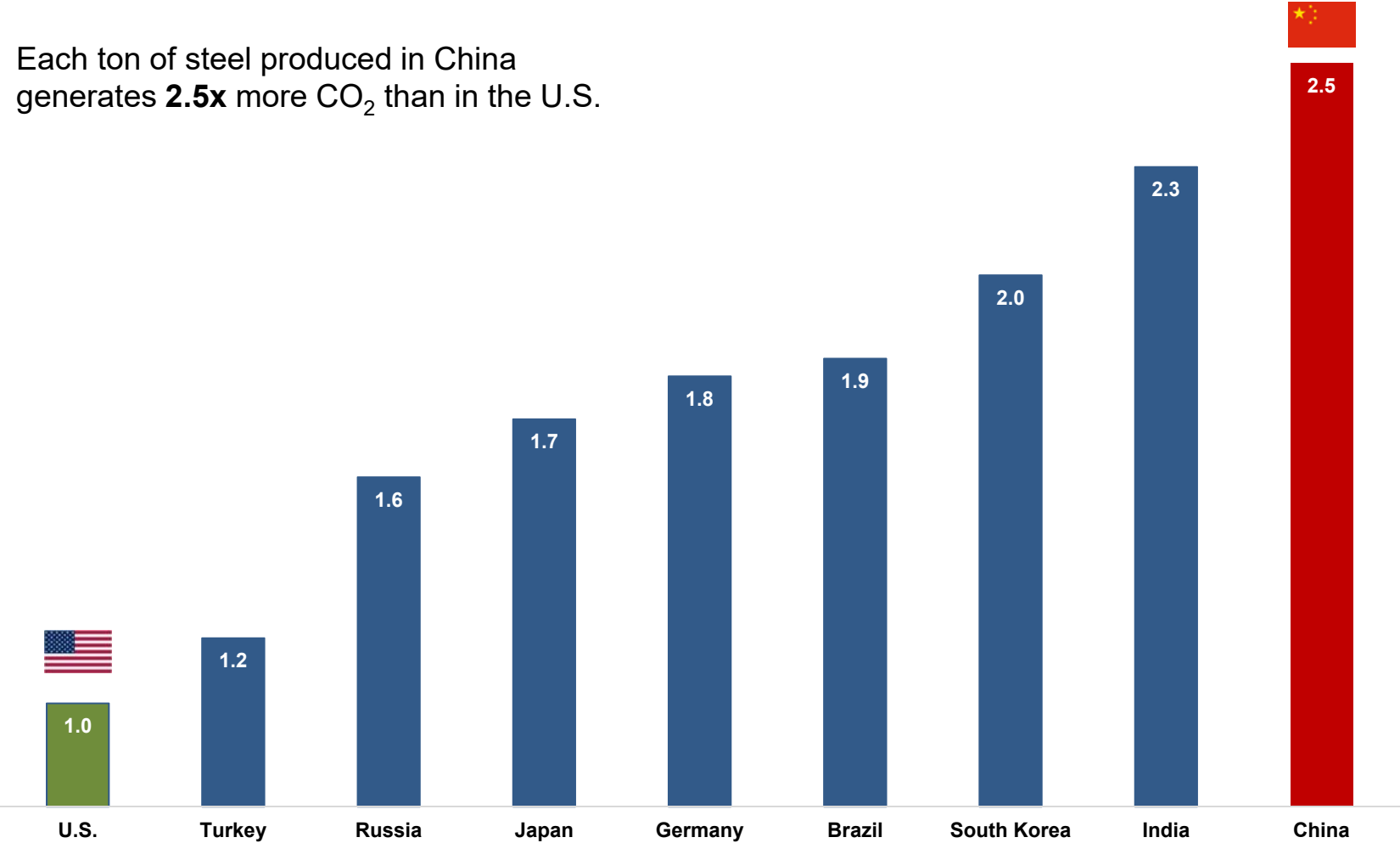


The U.S. is not the source of the problem

THE UNITED STATES IS THE ENVY OF THE WORLD

Tons of CO₂ emissions per ton of steel produced

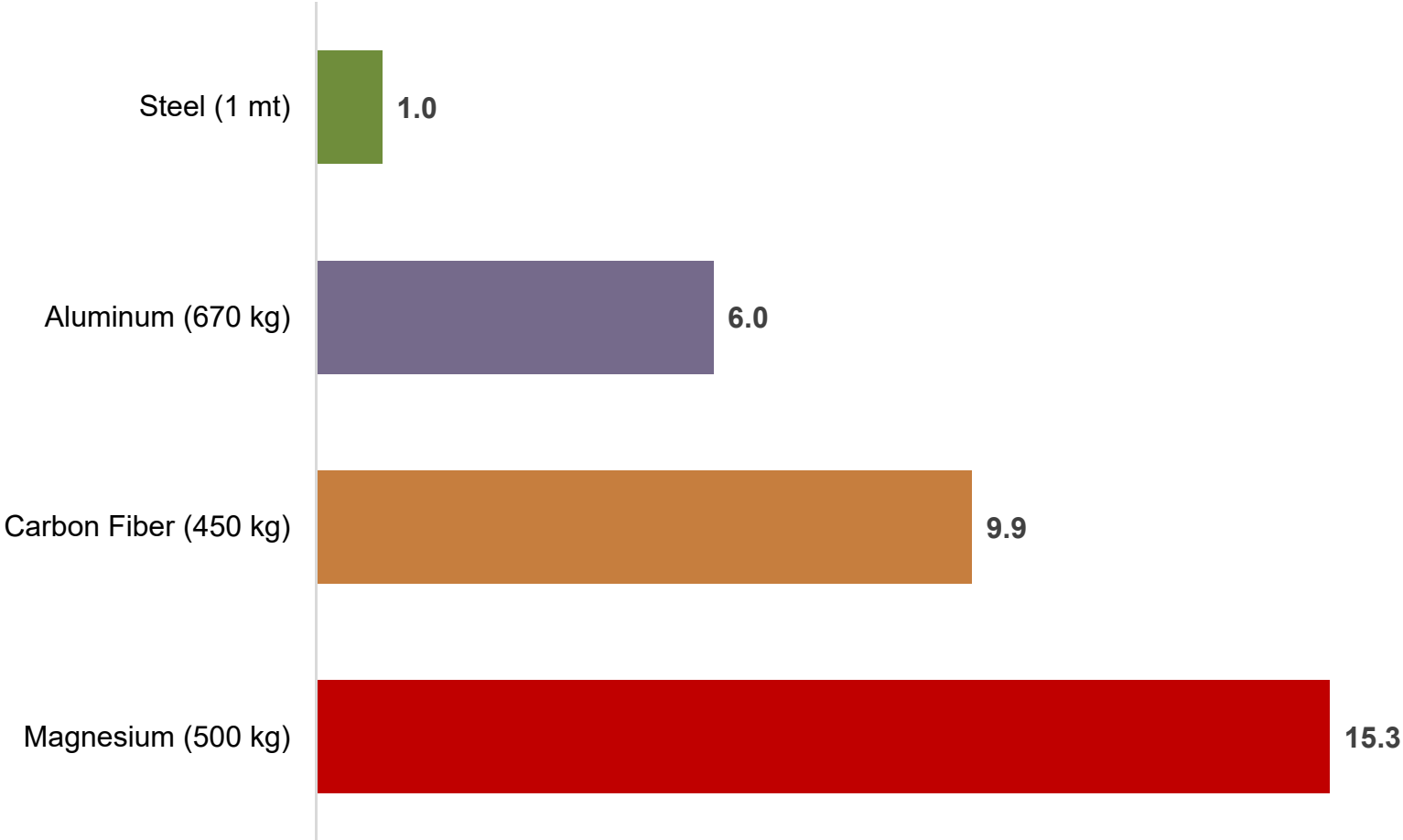
Each ton of steel produced in China generates **2.5x** more CO₂ than in the U.S.



STEEL EMISSIONS VS. OTHER MATERIALS

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

Each material adjusted to its equivalent of 1mt of steel



THE UNIQUE CHARACTERISTICS OF THE AMERICAN STEEL INDUSTRY

SCRAP



- Prevalence of EAFs
- Heavy use of scrap in BOFs

NATURAL GAS



- Natural-gas based electricity
- Sole reductant in Direct Reduced Iron
- Supplemental reductant in blast furnaces

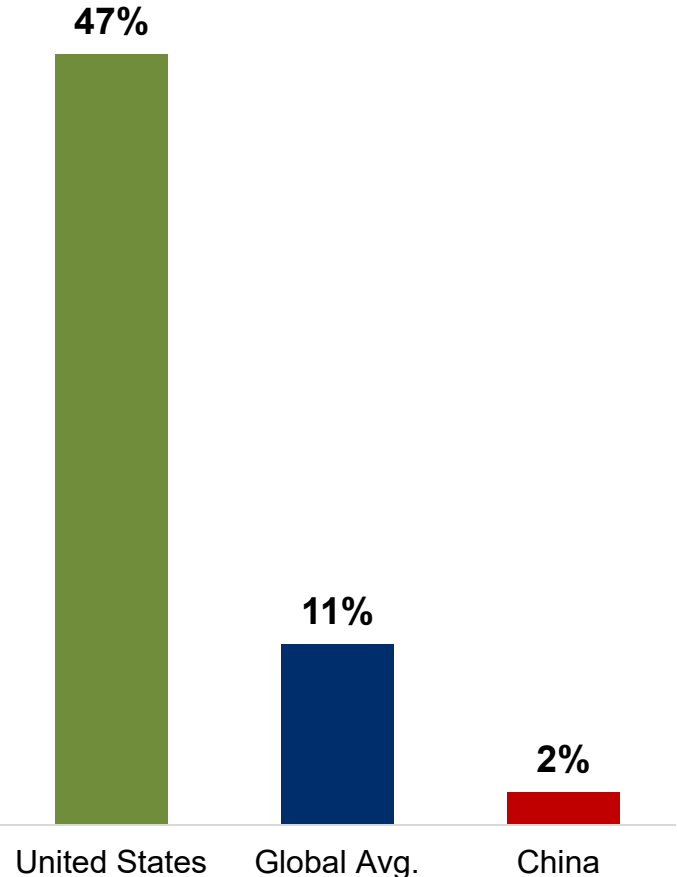
PELLETS



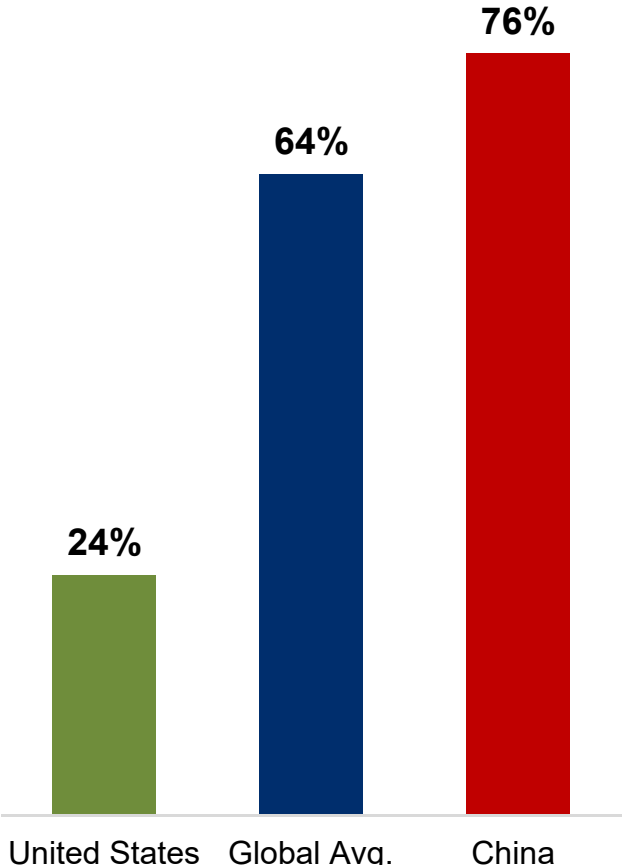
85% less CO₂ emissions than sinter

NATURAL GAS IS BOTH A POWER SOURCE AND REDUCING AGENT

% of Steelmaking Energy from Natural Gas

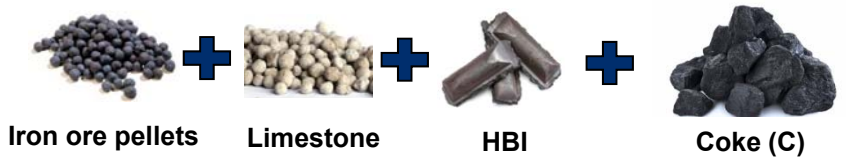


% of Steelmaking Energy from Coal



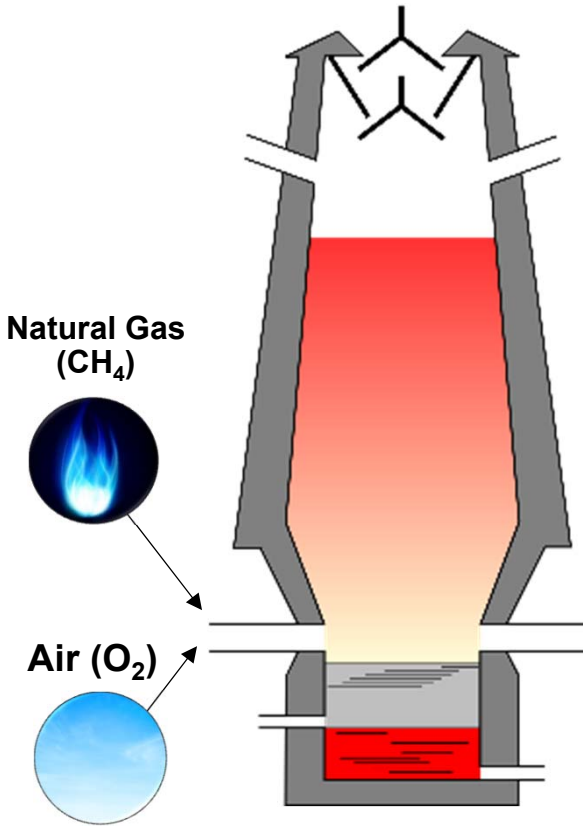
THE CLIFFS SOLUTION – TAKE ADVANTAGE OF VAST NATURAL GAS

Natural Gas/HBI In Blast Furnaces



Iron ore pellets + Limestone + HBI + Coke (C)

- Reductant
- Heat
- Burden Support



With No Natural Gas
 Hot Air reacts with Coke
 $C + O_2 \Rightarrow CO_2$

Carbon Dioxide Reacts with Coke
 $C + CO_2 \Rightarrow 2CO$

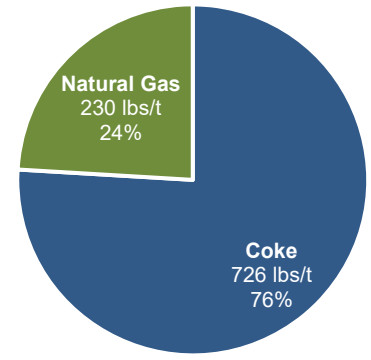
Reduction of iron ore
 $3CO + Fe_2O_3 \Rightarrow 2Fe + 3CO_2$

With Natural Gas
 Natural Gas Reacts with Hot Air
 $CH_4 + O_2 \Rightarrow CO_2 + 2H_2$

Reduction of iron ore
 $3H_2 + Fe_2O_3 \Rightarrow 2Fe + 3H_2O$

Used in all 8 BF's at Cliffs

Fuel rate (Middletown Works)



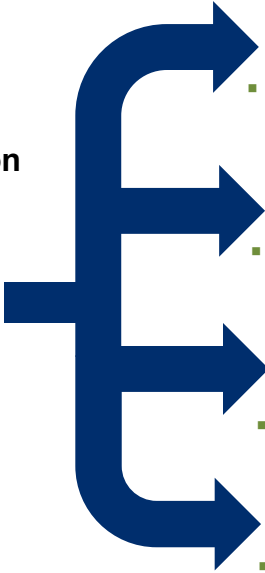
9% CO₂ reduction vs. coke-only

- ✓ Reduces coke usage by 750,000 tons per year company-wide
- ✓ Equivalent to one coke battery saved per year
- ✓ We continue to push the use of NG in Blast Furnace operations to reduce CO₂

NATURAL GAS BASED HBI



Production Capacity **1.9 million tons**



Cliffs' Blast Furnaces

- Increases productivity and reduces emissions

Cliffs' EAFs

- Diminishes prime scrap buy and reduces costs

Cliffs' BOFs

- Diminishes prime scrap buy and reduces costs

Third Party EAFs

- Reduces industry Scope 3 CO₂ emissions

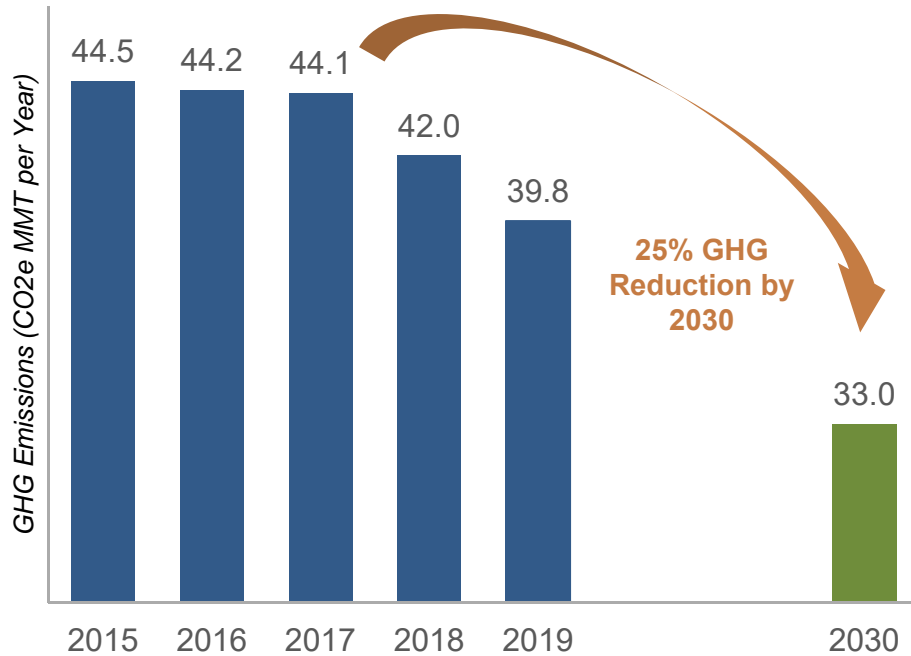
EMISSIONS REDUCTION

- Reduced with 100% natural gas
- 70% less CO₂ emissions than foreign metallics

WE ARE DOING OUR PART

Cliffs' 25% GHG Reduction by 2030

Scope 1 and Scope 2 Emissions



How we will accomplish

- ✓ Use of natural gas via direct reduction and blast furnaces
- ✓ Clean energy and energy efficiency projects
- ✓ Carbon capture

Cleveland-Cliffs' eight operating blast furnaces are among the lower GHG-intensive integrated operations in the world

CHAMPIONING A THRIVING MIDDLE CLASS



Creating middle-class jobs

- Substantial and ongoing new hiring since December 9, 2020



Compensating well above industry average

- **\$101,940** median employee compensation during 2020

