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## DEFINITIONS

The following abbreviations or acronyms are used in the text. References in this report to the “Company,” “we,” “us,” “our” and “Cliffs” are to Cleveland-Cliffs Inc. and subsidiaries, collectively. References to “A\$” or “AUD” refer to Australian currency, “C\$” or “CAD” to Canadian currency and “\$” to United States currency.

Abbreviation or acronym	Term
A&R 2015 Equity Plan	Amended and Restated Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan
ABL Facility	Amended and Restated Syndicated Facility Agreement by and among Bank of America, N.A., as Administrative Agent and Australian Security Trustee, the Lenders that are parties hereto, as the Lenders, Cleveland-Cliffs Inc., as Parent and a Borrower, and the Subsidiaries of Parent party hereto, as Borrowers dated as of March 30, 2015, and Amended and Restated as of February 28, 2018
Adjusted EBITDA	EBITDA excluding certain items such as impacts of discontinued operations, foreign currency exchange remeasurement, extinguishment of debt and intersegment corporate allocations of SG&A costs.
ArcelorMittal	ArcelorMittal (as the parent company of ArcelorMittal Mines Canada, ArcelorMittal USA and ArcelorMittal Dofasco, as well as, many other subsidiaries)
ALJ	Administrative Law Judge
AMT	Alternative Minimum Tax
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Bloom Lake Group	Bloom Lake General Partner Limited and certain of its affiliates, including Cliffs Quebec Iron Mining ULC
Canadian Entities	Bloom Lake Group, Wabush Group and certain other wholly-owned Canadian subsidiaries
CCAA	Companies' Creditors Arrangement Act (Canada)
Compensation Committee	Compensation and Organization Committee of the Board of Directors
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DR-grade	Direct Reduction-grade
EBITDA	Earnings before interest, taxes, depreciation and amortization
Empire	Empire Iron Mining Partnership
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Fe	Iron
FERC	Federal Energy Regulatory Commission
FMSH Act	U.S. Federal Mine Safety and Health Act 1977, as amended
GAAP	Accounting principles generally accepted in the United States
HBI	Hot briquetted iron
Hibbing	Hibbing Taconite Company, an unincorporated joint venture
Koolyanobbing	Collective term for the operating deposits at Koolyanobbing, Mount Jackson and Windarling
Long ton	2,240 pounds
LTVSMC	LTV Steel Mining Company
Metric ton	2,205 pounds
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Units
MSHA	U.S. Mine Safety and Health Administration
Monitor	FTI Consulting Canada Inc.

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Net ton	2,000 pounds
Northshore	Northshore Mining Company
OPEB	Other postretirement employment benefits
Platts 62% Price	Platts IODEX 62% Fe Fines Spot Price
SEC	U.S. Securities and Exchange Commission
SG&A	Selling, general and administrative
Securities Act	Securities Act of 1933, as amended
SSR	System Support Resource
Tilden	Tilden Mining Company L.C.
Topic 606	ASC Topic 606, Revenue from Contracts with Customers
TSR	Total Shareholder Return
United Taconite	United Taconite LLC
U.S.	United States of America
U.S. Steel	U.S Steel Corporation and all subsidiaries
Wabush Group	Wabush Iron Co. Limited and Wabush Resources Inc., and certain of its affiliates, including Wabush Mines (an unincorporated joint venture of Wabush Iron Co. Limited and Wabush Resources Inc.), Arnaud Railway Company and Wabush Lake Railway Company

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## PART I

## Item 1. Financial Statements

## Statements of Unaudited Condensed Consolidated Financial Position

## Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	June 30, 2018	December 31, 2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$802.5	\$ 978.3
Accounts receivable, net	152.6	106.7
Inventories	256.4	138.4
Supplies and other inventories	88.6	88.8
Derivative assets	174.7	37.9
Current assets of discontinued operations	45.3	118.5
Loans to and accounts receivable from the Canadian Entities	—	51.6
Other current assets	26.8	24.4
<b>TOTAL CURRENT ASSETS</b>	<b>1,546.9</b>	<b>1,544.6</b>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>1,081.3</b>	<b>1,033.8</b>
<b>OTHER ASSETS</b>		
Deposits for property, plant and equipment	85.7	17.8
Income tax receivable	219.9	235.3
Non-current assets of discontinued operations	—	20.3
Other non-current assets	117.7	101.6
<b>TOTAL OTHER ASSETS</b>	<b>423.3</b>	<b>375.0</b>
<b>TOTAL ASSETS</b>	<b>\$3,051.5</b>	<b>\$ 2,953.4</b>

(continued)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Statements of Unaudited Condensed Consolidated Financial Position  
Cleveland-Cliffs Inc. and Subsidiaries - (Continued)

(In Millions)

June 30, December 31,

2018 2017

LIABILITIES

CURRENT LIABILITIES

Accounts payable \$119.0 \$ 99.5

Accrued expenses 85.1 79.1

Accrued interest 43.1