Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A This return/report is for:
- [X] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [ ] a single-employer plan
- [ ] a DFE (specify) ___

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 03/01/1950

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

THE CLEVELAND-CLIFFS IRON COMPANY

200 PUBLIC SQUARE
SUITE 3300
CLEVELAND, OH 44114-2315

2b Employer Identification Number (EIN)
34-0677332

2c Plan Sponsor's telephone number
216-694-5505

2d Business code (see instructions)
212200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2018	KURT J. HOLLAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2018	KURT J. HOLLAND
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor

EMPLOYEE BENEFITS ADMIN DEPT. ATTN KURT J. HOLLAND

200 PUBLIC SQUARE, SUITE 3300
CLEVELAND, OH 44114-2315

3b Administrator's EIN: 34-1215677

3c Administrator's telephone number: 216-694-5505

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	3291
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	943
a(2) Total number of active participants at the end of the plan year	**6a(2)**	887
b Retired or separated participants receiving benefits	**6b**	1601
c Other retired or separated participants entitled to future benefits	**6c**	234
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	2722
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	509
f Total. Add lines **6d** and **6e**.	**6f**	3231
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1B 2B 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	☒	**R** (Retirement Plan Information)
(2)	☒	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	☐	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	☒	**H** (Financial Information)
(2)	☐	**I** (Financial Information – Small Plan)
(3)	☐ ___	**A** (Insurance Information)
(4)	☒	**C** (Service Provider Information)
(5)	☒	**D** (DFE/Participating Plan Information)
(6)	☐	**G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE MB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
THE CLEVELAND-CLIFFS IRON COMPANY

D Employer Identification Number (EIN)
34-0677332

E Type of plan: **(1)** [X] Multiemployer Defined Benefit **(2)** [ ] Money Purchase (see instructions)

1a	Enter the valuation date: Month 01 Day 01 Year 2017		
b	Assets		
(1)	Current value of assets	**1b(1)**	443634851
(2)	Actuarial value of assets for funding standard account	**1b(2)**	444125435
c	**(1)** Accrued liability for plan using immediate gain methods	**1c(1)**	413929707
(2)	Information for plans using spread gain methods:		
(a)	Unfunded liability for methods with bases	**1c(2)(a)**	
(b)	Accrued liability under entry age normal method	**1c(2)(b)**	
(c)	Normal cost under entry age normal method	**1c(2)(c)**	
(3)	Accrued liability under unit credit cost method	**1c(3)**	394774495
d	Information on current liabilities of the plan:		
(1)	Amount excluded from current liability attributable to pre-participation service (see instructions)	**1d(1)**	
(2)	"RPA '94" information:		
(a)	Current liability	**1d(2)(a)**	633136049
(b)	Expected increase in current liability due to benefits accruing during the plan year	**1d(2)(b)**	11285564
(c)	Expected release from "RPA '94" current liability for the plan year	**1d(2)(c)**	36426816
(3)	Expected plan disbursements for the plan year	**1d(3)**	36426816

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

Date

JOSEPH A. PERKO

17-06491

Type or print name of actuary

Most recent enrollment number

TOWERS WATSON DELAWARE, INC.

216-937-4000

Firm name

Telephone number (including area code)

1001 LAKESIDE AVENUE, SUITE 1500, CLEVELAND, OH 44114-1172

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

2 Operational information as of beginning of this plan year:

a Current value of assets (see instructions)		**2a**	443634851
b "RPA '94" current liability/participant count breakdown:		**(1)** Number of participants	**(2)** Current liability
(1) For retired participants and beneficiaries receiving payment		2115	461137977
(2) For terminated vested participants		233	15456079
(3) For active participants:			
(a) Non-vested benefits			19166389
(b) Vested benefits			137375604
(c) Total active		943	156541993
(4) Total		3291	633136049
c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage		**2c**	%

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	**(b)** Amount paid by employer(s)	**(c)** Amount paid by employees	**(a)** Date (MM-DD-YYYY)		**(b)** Amount paid by employer(s)	**(c)** Amount paid by employees	
09/14/2018	10478899						
			Totals ►	**3(b)**	10478899	**3(c)**	

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3))	**4a**	112.5%
b Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If code is "N," go to line 5	**4b**	N

c Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? ☐ Yes ☐ No

d If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? ☐ Yes ☐ No

e If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date	**4e**	
f If the rehabilitation plan projects emergence from critical status or critical and declining status, enter the plan year in which it is projected to emerge. If the rehabilitation plan is based on forestalling possible insolvency, enter the plan year in which insolvency is expected and check here ☐	**4f**	

5 Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

a ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit) **d** ☐ Aggregate

e ☐ Frozen initial liability **f** ☐ Individual level premium **g** ☐ Individual aggregate **h** ☐ Shortfall

i ☐ Other (specify):

j If box h is checked, enter period of use of shortfall method	**5j**	

k Has a change been made in funding method for this plan year? ☐ Yes ☒ No

l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval? ☐ Yes ☐ No

m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method	**5m**	

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability		**6a**	3.05%		
			Pre-retirement	Post-retirement	
b Rates specified in insurance or annuity contracts			[ ] Yes [ ] No [X] N/A	[ ] Yes [ ] No [X] N/A	
c Mortality table code for valuation purposes:					
(1) Males	**6c(1)**		9	9	
(2) Females	**6c(2)**		9	9	
d Valuation liability interest rate	**6d**		7.75%	7.75%	
e Expense loading	**6e**	%	[X] N/A	%	[X] N/A
f Salary scale	**6f**	2.00%	[ ] N/A		
g Estimated investment return on actuarial value of assets for year ending on the valuation date		**6g**		7.5%	
h Estimated investment return on current value of assets for year ending on the valuation date		**6h**		8.8%	

7 New amortization bases established in the current plan year:

(1) Type of base	**(2)** Initial balance	**(3)** Amortization Charge/Credit
1	5569451	594689
4	760393	81193
3	1182214	126233

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval	**8a**		
b(1) Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule.			[X] Yes [ ] No
b(2) Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule.			[X] Yes [ ] No
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?			[ ] Yes [X] No
d If line c is "Yes," provide the following additional information:			
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?			[ ] Yes [ ] No
(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended	**8d(2)**		
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?			[ ] Yes [ ] No
(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))	**8d(4)**		
(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension	**8d(5)**		
(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?			[ ] Yes [ ] No
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	**8e**		

9 Funding standard account statement for this plan year:

Charges to funding standard account:

a Prior year funding deficiency, if any		**9a**	
b Employer's normal cost for plan year as of valuation date		**9b**	3108704
c Amortization charges as of valuation date:		Outstanding balance	
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	**9c(1)**	186121436	31200447
(2) Funding waivers	**9c(2)**		
(3) Certain bases for which the amortization period has been extended	**9c(3)**		
d Interest as applicable on lines 9a, 9b, and 9c		**9d**	2658959
e Total charges. Add lines 9a through 9d		**9e**	36968110

Credits to funding standard account:

f	Prior year credit balance, if any		**9f**	138023759
g	Employer contributions. Total from column (b) of line 3		**9g**	10478899
		Outstanding balance		
h	Amortization credits as of valuation date	**9h** 78293404		11699094
i	Interest as applicable to end of plan year on lines 9f, 9g, and 9h		**9i**	11603521
j	Full funding limitation (FFL) and credits:			
	(1) ERISA FFL (accrued liability FFL)	**9j(1)** 120062937		
	(2) "RPA '94" override (90% current liability FFL)	**9j(2)** 123655349		
	(3) FFL credit		**9j(3)**	
k	**(1)** Waived funding deficiency		**9k(1)**	
	(2) Other credits		**9k(2)**	
l	Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)		**9l**	171805273
m	Credit balance: If line 9l is greater than line 9e, enter the difference		**9m**	134837163
n	Funding deficiency: If line 9e is greater than line 9l, enter the difference		**9n**	

9 o	Current year's accumulated reconciliation account:		
	(1) Due to waived funding deficiency accumulated prior to the 2017 plan year	**9o(1)**	
	(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:		
	(a) Reconciliation outstanding balance as of valuation date	**9o(2)(a)**	
	(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))	**9o(2)(b)**	
	(3) Total as of valuation date	**9o(3)**	
10	Contribution necessary to avoid an accumulated funding deficiency. (See instructions.)	**10**	

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions. [X] Yes [ ] No

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2017** **This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND-CLIFFS IRON COMPANY

D Employer Identification Number (EIN)
34-0677332

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

SEI PRIVATE TRUST COMPANY

04-2452803

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 21 51	NONE	1423853	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

JP MORGAN INVESTMENT MANAGEMENT

13-3200244

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28	NONE	354231	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

BNY MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 28 72	NONE	142856	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	130350	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

MEADEN & MOORE, LTD.

34-1818258

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	11800	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

B Three-digit plan number (PN) ▶ 004

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND-CLIFFS IRON COMPANY

D Employer Identification Number (EIN)
34-0677332

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: CLIFFS NATURAL RES MASTER PENSION T

b Name of sponsor of entity listed in (a): CLIFFS NATURAL RESOURCES, INC. MASTER PENSION TRUST

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
34-1935032-001	M	472935328

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND-CLIFFS IRON COMPANY

D Employer Identification Number (EIN)
34-0677332

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	6773370	10478899
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	436861481	472935328
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	443634851	483414227
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		59338
k	Total liabilities (add all amounts in lines 1g through1j)	1k		59338
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	443634851	483354889

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	10478899	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		10478899
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		68013084
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		78491983
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	36584661	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		36584661
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	117678	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	1750410	
(4) Other	2i(4)	319196	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		2187284
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		38771945
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		39720038
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MEADEN & MOORE, LTD. **(2)** EIN: 34-1818258

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4075795. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND-CLIFFS IRON COMPANY

D Employer Identification Number (EIN)
34-0677332

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 34-0797057

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer EMPIRE IRON MINING PARTNERSHIP

b EIN 34-1186059 **c** Dollar amount contributed by employer 3256662

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 09 Day 30 Year 2018

e Contribution rate information *(If more than one rate applies, check this box ☒ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer TILDEN MINING COMPANY LLC

b EIN 34-1804848 **c** Dollar amount contributed by employer 7136675

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month 09 Day 30 Year 2018

e Contribution rate information *(If more than one rate applies, check this box ☒ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	0
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 67.1 % Investment-Grade Debt: 3.9 % High-Yield Debt: 0.0 % Real Estate: 13.8 % Other: 15.2 %

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☒ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☒ Other (specify): WEIGHTED AVERAGE

PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2017

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MEADEN & MOORE

INDEPENDENT AUDITORS' REPORT

To the Participants and the Plan Administrator for the
Pension Plan for Hourly Employees of the Cleveland-Cliffs Iron Company and
Its Associated Employers
Cleveland, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Pension Plan for Hourly Employees of the Cleveland-Cliffs Iron Company and Its Associated Employers, which comprise the statement of net assets available for benefits as of December 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by The Bank of New York Mellon/BNY, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016, and for the years ended December 31, 2017 and 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The Schedule of Assets Held for Investment Purposes at End of Year as of and for the year ended December 31, 2017 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Meaden & Moore, Ltd.

Meaden & Moore, Ltd.
Cleveland, Ohio

October 4, 2018

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

Pension Plan for Hourly Employees of The Cleveland-Cliffs
Iron Company and its Associated Employers

	(In Thousands)	
	Year Ended December 31,	
	2017	2016
ASSETS		
Receivable - Employer Contributions	**$ 10,479**	$ 6,773
Investments - Master Trust	**472,935**	436,861
Total Assets	**483,414**	443,634
LIABILITIES	**59**	—
Net Assets Available for Benefits	**$ 483,355**	$ 443,634

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Pension Plan for Hourly Employees of The Cleveland Cliffs
Iron Company and its Associated Employers

	(In Thousands)	
	Year Ended December 31,	
	2017	2016
Employer Contributions	**$ 10,479**	$ 6,773
Investment Income:		
Interest, Dividends and Other Income	**14,261**	9,996
Net Realized and Unrealized Gain on Assets	**53,752**	28,899
Total Investment Income from Master Trust	**68,013**	38,895
Benefits Paid to Participants	**(36,585)**	(36,190)
PBGC Premiums	**(92)**	(90)
Administrative Expenses	**(2,094)**	(2,431)
Net Increase	**39,721**	6,957
Net Assets Available for Benefits:		
Beginning of Year	**443,634**	436,677
End of Year	**$ 483,355**	$ 443,634

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Pension Plan for Hourly Employees of The Cleveland-Cliffs
Iron Company and its Associated Employers

1. Description of Plan

The following description of the Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company and Its Associated Employers (the "Plan"), amended and restated as of January 1, 2014, provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a non-contributory defined benefit plan covering hourly employees of Empire Iron Mining Partnership and Tilden Mining Company L.C. (the "Employing Companies") who have met certain requirements as to length of service and age. It is subject to the provisions of the Employers Retirement Income Security Act of 1974 ("ERISA"). Participants of the Plan are entitled to a normal retirement benefit upon attaining the age of 65 and five years of credited service. The normal monthly retirement benefit is based on the participant's years of credited service and past compensation levels, as provided in the Plan. The Plan also provides for early retirement, permanent incapacity, surviving spouse and deferred vested benefits for those participants who meet certain age and length of service requirements. The Plan provides that participants have a 100 percent deferred vested benefit after five years of continuous service.

Effective September 30, 2015, the Employing Companies reached an agreement with the United Steelworkers. In this agreement, retirees who retired on or after January 1, 2015 were provided an annual pension supplement for calendar years 2016, 2017, and 2018. Additionally, the agreement renewed the annual surviving spouse payments, lump sum payments for retirees who retired on other than a deferred vested pension prior to August 1, 1993, and lump sum payments for disability retirees.

Eligibility

The Plan provides regular pensions, disability pensions and surviving spouse benefits to hourly employees of the Employing Companies, age twenty-one and older who have at least one year of continuous service.

Investment Options

The assets of the Plan held by The Bank of New York Mellon, who serves as the Trustee (the "Trustee"), are invested in the Cleveland-Cliffs Inc. and Associated Companies Master Pension Trust (the "Master Trust") based on investment objectives established by the Cleveland-Cliffs Inc. Investment Committee ("Investment Committee"). SEI Private Trust Company ("Investment Advisor") serves as the Investment Advisor to the Investment Committee.

Contributions

The Employing Companies have agreed to voluntarily contribute such amounts as are necessary to provide benefits to be paid to Plan participants. Contributions are accrued based upon amounts determined by the Board of Directors of the Employing Companies in accordance with the funding method and policy which will be consistent with Plan objectives. The Employing Companies make contributions to the Plan to the extent necessary to meet the funding requirements of the Internal Revenue Code and ERISA.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Plan's transactions are reported on the accrual basis of accounting.

Recent Accounting Pronouncements

In February 2017, the FASB issued Accounting Standards Update No. 2017-06, Plan Accounting (Topics 960, 962, and 965): Employee Benefit Plan Master Trust Reporting ("ASU 2017-06"). ASU 2017-06 requires the Plan's interest in the master trust and any change in that interest to be presented as separate line items in the statement of net assets

available for benefits and in the statement of changes in net assets available for benefits, respectively. The amendment also requires all plans to disclose their master trust's other asset and liability balances and the dollar amount of the plan's interest in each of those balances. In addition, the amendment eliminates the requirement to disclose the percentage interest in the master trust for plans with divided interest and requires that all plans disclose the dollar amount of their interest in each general type of investment. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018 with early adoption permitted. We plan to adopt the standard on its effective date of January 1, 2019. We anticipate the primary impact of the adoption on our financial statements will be the additional required disclosures for our Master Trust in the notes to the financial statements.

Valuation of Investments

Investments held by the Master Trust are stated at fair value. Investments are stated at aggregate current values determined as follows: Securities traded on a national securities exchange on the last business day of the year are valued at the last reported sales price and securities not traded on the last business day of the year are valued at the average of the last reported bid and ask price. Securities traded in the over-the-counter market are valued at the average of the last reported bid and ask price. Securities which do not have an established market are valued by the Investment Advisor. Realized gains or losses on security transactions are recorded as the difference between net proceeds received and cost. In accordance with the policy of stating investments at fair value, changes in net unrealized appreciation or depreciation are reflected in the Statement of Changes in Net Assets Available for Benefits. Dividend income is recorded on the ex-dividend date and income from other investments is recorded as earned on an accrual basis. Purchases and sales are recorded on a trade-date basis.

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated Plan benefits is determined using the projected unit credit method and is comprised of those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered to the valuation date. Accumulated Plan benefits include benefits expected to be paid to retired and terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. Benefits payable under all circumstances, such as retirement, death, disability and termination of employment are included to the extent they are considered attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by an independent consulting actuary and results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan's investments include an investment in a master trust holding various investments with varying degrees of risk, such as interest rate risk, credit risk and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions and actuarial present value of accumulated Plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Administrative Fees

The Plan pays the trustee fees, actuarial fees, audit fees and expenses of the Plan. Other administrative expenses of the Plan, such as salaries and use of facilities are paid by the Employing Companies.

Subsequent Events

Management evaluates events occurring subsequent to year end in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

Effective January 1, 2018, for Internal Revenue purpose the Plan's status has changed from a multiemployer plan to a single employer plan. The Plan will continue to be considered a multiemployer plan for purposes of the PBGC.

Plan Termination

In the event of termination of the Plan, the assets of the Plan are to be distributed as follows: first, for the payment of all expenses of the Plan and the Master Trust; second, among participants and their beneficiaries in accordance with provisions of applicable laws; and third, to the Employing Companies after satisfaction of all liabilities and actuarial requirements of the Plan. The Pension Benefit Guaranty Corporation (the "PBGC") guarantees the payment of all non-forfeitable basic benefits subject to certain limitations prescribed by ERISA.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

3. Tax Status

The Internal Revenue Service has determined and informed Cleveland-Cliffs Inc. (the "Company") by letter, dated August 19, 2015, that the Plan and related Master Trust are designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Plan was amended to appoint the Employee Benefits Administration Department of the Company as the plan administrator (the "Plan Administrator"). The Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan Administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2017, there are no uncertain tax positions taken that would require recognition of a liability or that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress.

4. Master Trust

All Master Trust investment information disclosed in the accompanying financial statements, including investments held at December 31, 2017 and 2016 and net realized and unrealized appreciation or depreciation in fair value of investments and interest and dividends for the years then ended, was obtained or derived from information supplied to the Plan Administrator, as defined by the Plan.

The Master Trust provides a medium for commingling the assets of the Pension Plan for Employees of Cleveland-Cliffs Inc. and Its Associated Employers, the Pension Plan for Hourly Employees of the Cleveland-Cliffs Iron Company and Its Associated Employers and the Ore Mining Companies Pension Plan. The Trustee invests assets of the Master Trust in stocks, bonds, and other evidences of ownership or indebtedness in accordance with the terms of the agreement under which Plan assets are held and invested by Cleveland-Cliffs Inc. and Associated Companies Master Pension Trust Agreement (the "Trust Agreement"). The Master Trust is a master trust under Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA because the Company and its associated employers are related through management agreements. The Plan's undivided interest in the Master Trust is equal to the current value of the Plan's investment as a percent of the current value of Master Trust assets as of each month-end valuation date. The Plan's investment in the Master Trust is the sum of the current value of contributions less the withdrawals and fees, plus or minus unrealized appreciation or depreciation and realized gains or losses of the Master Trust, allocated to the Plan based on the current value of the Plan's investment as a percent of the current value of the Master Trust assets as of the previous month-end valuation.

Investments are stated at aggregate current values determined as follows: securities traded on a national securities exchange on the last business day of the year are valued at the last reported sales price and securities not

traded on the last business day of the year are valued at the average of the last reported bid and ask price. Securities traded in the over-the-counter market are valued at the average of the last reported bid and ask price. Securities which do not have an established market are valued by the Trustee.

The change in the difference between the aggregate current value and cost of investments is reflected in the changes in net assets as unrealized appreciation or depreciation of investments. The net realized gain (loss) on sale of assets is the difference between the proceeds received and the average cost of assets sold.

Financial information relating to the net assets of the Master Trust at December 31, 2017 and 2016 is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2017	2016
Net Assets:		
Investments, at fair value:		
Cash Equivalents	**$ 6,709**	$ 7,423
Equity Mutual Funds	**426,474**	384,582
Fixed Income Funds	**264,238**	234,882
Hedge Funds	**48,478**	52,657
Private Equity Funds	**51,820**	46,846
Structured Credit Fund	**95,384**	83,495
Real Estate Funds	**84,695**	79,744
Total Investments	**$ 977,798**	$ 889,629
Receivable - Employer Contributions	**22,707**	23,449
Net Assets	**$ 1,000,505**	$ 913,078

Financial information relating to the net assets and employer contribution receivables of the Master Trust at December 31, 2017 and 2016 is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2017	2016
Proportionate Share of Net Assets of the Master Trust:		
Ore Mining Companies Pension Plan	**$ 241,288**	$ 216,787
Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company and Its Associated Employers	**483,414**	443,634
Pension Plan for Employees of Cleveland-Cliffs Inc. and Its Associated Employers	**275,803**	252,657
	$ 1,000,505	$ 913,078

Net activity of the Master Trust is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2017	2016
Interest, Dividends and Other Income	**$ 29,778**	$ 20,209
Net Realized/Unrealized Investment Gain	**107,616**	58,593
Total Investment Income - Master Trust	**$ 137,394**	$ 78,802
Other Net Deductions	**(49,225)**	(92,424)
Net Activity	**$ 88,169**	$ (13,622)

5. Accumulated Plan Benefits

The accumulated Plan benefit information of each Plan year is as follows:

	(In Thousands) Year Ended December 31	
	2017	2016
Actuarial Present Value of Accumulated Benefits:		
Vested Benefits:		
Participants currently receiving payments	**$ 298,235**	$ 301,055
Other participants	**60,635**	62,841
	358,870	363,896
Non-vested benefits	**11,186**	9,892
Total actuarial present value of accumulated benefits	**$ 370,056**	$ 373,788

The changes in actuarial present value of accumulated Plan benefits are as follows:

	(In Thousands) Year Ended December 31	
	2017	2016
Beginning of year	**$ 373,788**	$ 375,240
Benefits accumulated	**4,109**	4,586
Actuarial losses	**1,044**	3,591
Assumption/Plan changes	**(1,967)**	(3,282)
Interest	**29,667**	29,843
Benefits paid	**(36,585)**	(36,190)
End of year	**$ 370,056**	$ 373,788

Significant assumptions underlying the December 31, 2017 and 2016 actuarial computations for the Plan were as follows:

Discount Rate	3.60% (2017) and 4.02% (2016)
Return on Assets	8.25% (2017 and 2016)
Salaried Increases	2.0% per annum (2017 and 2016)
Retirement Age:	
Active Employees	Sliding scale with 100% at age 70 (2017 and 2016)
Vested Terminations	Age 65

On December 31, 2017, the assumed mortality improvement projection was changed from generational scale MP-2016 to generational scale MP-2017. The healthy mortality assumption remains the RP-2014 mortality tables with blue collar adjustments.

On December 31, 2016, the assumed mortality improvement projection was changed from generational scale MP-2015 to generational scale MP-2016. The healthy mortality assumption remains the RP-2014 mortality tables with blue collar adjustments.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

6. Information Prepared and Certified by Trustee

The following information was included in the accompanying financial statements and supplemental schedule and was obtained from data that has been prepared and certified as complete and accurate by the Trustee.

	(In Thousands) December 31,	
	2017	2016
Investments in the Master Trust, at fair value	**$ 472,935**	$ 436,861
Interest, dividend and other income	**$ 14,261**	$ 9,996
Net realized and unrealized gain on assets	**$ 53,752**	$ 28,899

7. Party-in-Interest Transactions

Certain Plan investments are in shares of mutual funds and alternative investments that are managed by the Investment Advisor and held in the Master Trust by the Trustee and, therefore, these transactions qualify as party-in-interest. See Schedule of Assets Held for Investment Purposes at End of Year.

8. Fair Value of Financial Assets

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our own views about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

- Level 1 — Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 — Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Equity Securities

Equity securities classified as Level 1 investments include U.S. large-, small- and mid-cap investments and international equity. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach, and is based upon unadjusted quoted prices for identical assets in active markets.

Fixed Income Funds

Fixed income securities classified as Level 1 investments include bonds and government debt securities. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach, and is based upon unadjusted quoted prices for identical assets in active markets. Also included in Fixed Income is a portfolio of U.S. Treasury STRIPS, which are zero-coupon bearing fixed income securities backed by the full faith and credit of the U.S. government. The securities sell at a discount to par because there are no incremental coupon payments. STRIPS are not issued directly by the Treasury, but rather are created by a financial institution, government securities broker or government securities dealer. Liquidity on the issue varies depending on various market conditions; however, in general

the STRIPS market is slightly less liquid than that of the U.S. Treasury Bond market. The STRIPS are priced daily through a bond pricing vendor and are classified as Level 2.

Hedge Funds

Hedge funds are alternative investments comprised of direct or indirect investment in offshore hedge funds with an investment objective to achieve equity-like returns with one half the volatility of equities and moderate correlation. The valuation techniques used to measure fair value attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. Considerable judgment is required to interpret the factors used to develop estimates of fair value. Valuations of the underlying investment funds are obtained and reviewed. The securities that are valued by the funds are interests in the investment funds and not the underlying holdings of such investment funds. Thus, the inputs used to value the investments in each of the underlying funds may differ from the inputs used to value the underlying holdings of such funds.

In determining the fair value of a security, the fund managers may consider any information that is deemed relevant, which may include one or more of the following factors regarding the portfolio security, if appropriate: type of security or asset; cost at the date of purchase; size of holding; last trade price; most recent valuation; fundamental analytical data relating to the investment in the security; nature and duration of any restriction on the disposition of the security; evaluation of the factors that influence the market in which the security is purchased or sold; financial statements of the issuer; discount from market value of unrestricted securities of the same class at the time of purchase; special reports prepared by analysts; information as to any transactions or offers with respect to the security; existence of merger proposals or tender offers affecting the security; price and extent of public trading in similar securities of the issuer or compatible companies and other relevant matters; changes in interest rates; observations from financial institutions; domestic or foreign government actions or pronouncements; other recent events; existence of shelf registration for restricted securities; existence of any undertaking to register the security; and other acceptable methods of valuing portfolio securities.

Private Equity Funds

Private equity funds are alternative investments that represent direct or indirect investments in partnerships, venture funds or a diversified pool of private investment vehicles (fund of funds).

Investment commitments are made in private equity funds based on an asset allocation strategy, and capital calls are made over the life of the funds to fund the commitments. As of December 31, 2017, remaining commitments for the Master Trust total $51,694 thousand. Committed amounts are funded from plan assets when capital calls are made. Investment commitments are not pre-funded in reserve accounts.

The valuation of investments in private equity funds initially is performed by the underlying fund managers. In determining the fair value, the fund managers may consider any information that is deemed relevant, which may include: type of security or asset; cost at the date of purchase; size of holding; last trade price; most recent valuation; fundamental analytical data relating to the investment in the security; nature and duration of any restriction on the disposition of the security; evaluation of the factors that influence the market in which the security is purchased or sold; financial statements of the issuer; discount from market value of unrestricted securities of the same class at the time of purchase; special reports prepared by analysts; information as to any transactions or offers with respect to the security; existence of merger proposals or tender offers affecting the security; price and extent of public trading in similar securities of the issuer or compatible companies and other relevant matters; changes in interest rates; observations from financial institutions; domestic or foreign government actions or pronouncements; other recent events; existence of shelf registration for restricted securities; existence of any undertaking to register the security; and other acceptable methods of valuing portfolio securities.

The valuations are obtained from the underlying fund managers, and the valuation methodology and process is reviewed for consistent application and adherence to policies. Considerable judgment is required to interpret the factors used to develop estimates of fair value.

Private equity investments are valued quarterly and recorded on a one-quarter lag. For alternative investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Capital distributions for the funds do not occur on a regular frequency. Liquidation of these investments would require sale of the partnership interest.

Structured Credit Fund

Structured credit investments are alternative investments comprised of collateralized debt obligations and other structured credit investments that are priced based on valuations provided by independent, third-party pricing agents, if available. Such values generally reflect the last reported sales price if the security is actively traded. The third-party pricing agents may also value structured credit investments at an evaluated bid price by employing methodologies that utilize actual market transactions, broker-supplied valuations, or other methodologies designed to identify the market value of such securities. Such methodologies generally consider such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available are valued at the last quoted sale price on the primary exchange or market on which they are traded. Debt obligations with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Structured credit investments are valued monthly and recorded on a one-month lag. For alternative investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Historically, redemption requests have been considered quarterly, subject to notice of 90 days, although the advisor is currently only requiring notice of 65 days.

Real Estate Funds

The real estate portfolio for the pension plans is an alternative investment primarily comprised of two funds with strategic categories of real estate investments. All real estate holdings are appraised externally at least annually, and appraisals are conducted by reputable, independent appraisal firms that are members of the Appraisal Institute. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. The property valuations and assumptions about each property are reviewed quarterly by the investment advisor and values are adjusted if there has been a significant change in circumstances relating to the property since the last external appraisal. The valuation methodology utilized in determining the fair value is consistent with the best practices prevailing within the real estate appraisal and real estate investment management industries, including the Real Estate Information Standards, and standards promulgated by the National Council of Real Estate Investment Fiduciaries, the National Association of Real Estate Investment Fiduciaries, and the National Association of Real Estate Managers. In addition, the investment advisor may cause additional appraisals to be performed. One of the fund's fair value is updated monthly, and there is no lag in reported value. Redemption requests are considered on a quarterly basis, subject to notice of 45 days.

The following table presents the financial assets of the Master Trust measured at fair value on a recurring basis at December 31, 2017:

	(In Thousands)			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash Equivalents	**$ 6,709**	**$ —**	**$ —**	**$ 6,709**
Equity Securities	**426,474**	**—**	**—**	**426,474**
Fixed Income Funds	**226,598**	**37,640**	**—**	**264,238**
Hedge Funds	**—**	**—**	**48,478**	**48,478**
Private Equity Funds	**—**	**—**	**51,820**	**51,820**
Structured Credit Fund	**—**	**—**	**95,384**	**95,384**
Real Estate Funds	**—**	**—**	**84,695**	**84,695**
	$ 659,781	**$ 37,640**	**$ 280,377**	**$ 977,798**

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in Master Trust assets for the year ended December 31, 2017:

	(In Thousands)				
	Hedge Funds	**Private Equity Funds**	**Structured Credit Fund**	**Real Estate Funds**	**Total**
Beginning balance - January 1, 2017	**$ 52,657**	**$ 46,846**	**$ 83,495**	**$ 79,744**	**$ 262,742**
Actual return on plan assets:					
Relating to assets still held at the reporting date	**3,178**	**564**	**11,889**	**5,745**	**21,376**
Relating to assets sold during the period	**436**	**5,694**	**—**	**(31)**	**6,099**
Purchases	**50,608**	**5,860**	**—**	**18,281**	**74,749**
Sales	**(58,401)**	**(7,144)**	**—**	**(19,044)**	**(84,589)**
Ending balance - December 31, 2017	**$ 48,478**	**$ 51,820**	**$ 95,384**	**$ 84,695**	**$ 280,377**
The amount of total gains for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	**$ 3,178**	**$ 564**	**$ 11,889**	**$ 5,745**	**$ 21,376**

The following table presents the financial assets of the Master Trust measured at fair value on a recurring basis at December 31, 2016:

	(In Thousands)			
	Level 1	Level 2	Level 3	Total
Cash Equivalents	$ 7,423	$ —	$ —	$ 7,423
Equity Securities	384,582	—	—	384,582
Fixed Income Funds	204,209	30,673	—	234,882
Hedge Funds	—	—	52,657	52,657
Private Equity Funds	—	—	46,846	46,846
Structured Credit	—	—	83,495	83,495
Real Estate Funds	—	—	79,744	79,744
	$ 596,214	$ 30,673	$ 262,742	$ 889,629

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in Master Trust assets for the year ended December 31, 2016:

	(In Thousands)				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate Funds	Total
Beginning balance - January 1, 2016	$ 52,763	$ 42,352	$ 78,731	$ 74,182	$ 248,028
Actual return on plan assets:					
Relating to assets still held at the reporting date	(106)	(3,322)	13,036	6,482	16,090
Relating to assets sold during the period	—	4,733	(272)	39	4,500
Purchases	—	10,644	—	—	10,644
Sales	—	(7,561)	(8,000)	(959)	(16,520)
Ending balance - December 31, 2016	$ 52,657	$ 46,846	$ 83,495	$ 79,744	$ 262,742
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ (106)	$ (3,322)	$ 13,036	$ 6,482	$ 16,090

Transfers between Levels

For years ended December 31, 2017 and 2016, there were no transfers between Level 1 and 2 and no transfers in or out of Level 3.

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Pension Plan for Hourly Employees of The Cleveland-Cliffs
Iron Company and Its Associated Employers

EIN 34-0677332
Plan Number 004

December 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	The Bank of New York Mellon	Master Trust	$ 379,606,612	$ 472,935,089

* Identifies party-in-interest to the Plan.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Summary of Plan Provisions

Summary of plan provisions

Plan Provisions

Plan name	Pension Plan for Hourly Employees for The Cleveland-Cliffs Iron Company and Its Associated Employers.
Effective date	Amended and Restated as of August 1, 2004, most recent amendment November 5, 2012.
Status of plan	Ongoing.
Type of plan	Pay-related.
Normal form	A five-year certain and life annuity for single participants; 50% joint and survivor for married participants.
Participation date	Attainment at age 21 and completion of one year of Continuous Service.
Continuous service	All full and fractional years of service from last date of hire to termination of employment, including any service required to be credited as a result of break-in-service rules.
Average monthly earnings	Highest consecutive 60 months.
Accrued benefit	Greater of (a) and (b) (a) Percent Pension: 1.155% of Average Monthly Earnings times years of Continuous Service not in excess of 30, plus 1.26% of Final Average Earnings times years of Continuous Service in excess of 30 years. (b) Minimum Pension: $65 per year of Continuous Service up to 30 years, and $85 per year of Continuous Service in excess of 30 years for pre-2009 service and $100 for each year of service accrued beginning January 1, 2009.

Benefit	*Age*	*Cont Svc*	*Description*
Normal retirement:	65	5	Accrued benefit
Early retirement:		30	Accrued benefit
	60	15	Accrued benefit actuarially reduced for commencement before age 62.
Vesting:		5	Accrued benefit payable as of Normal Retirement or, if participant has at least 15 years of Continuous Service at termination, as early as age 60 reduced actuarially from age 62.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Summary of Plan Provisions

Benefits (continued)	*Age*	*Cont Svc*	*Description*
Preretirement death surviving spouse's benefit		5	50% of the accrued benefit reduced for joint and survivor form and further reduced by plan factors for time of coverage. Payable at age 60.
Disability:		15	Accrued benefit plus a temporary supplement of $400 per month payable until eligible for 80% of their Social Security benefits.
Special payment:	 or 65 or 60	30 5 15	A lump sum payment equal to 14 weeks of vacation pay, reduced by actual vacation pay received in year of retirement. This payment replaces the first three months of pension payments.
Temporary supplement (effective as of September 1, 2012):	62 or	15 30	The greater of the amount by which $1,250 exceeds the monthly pension benefit or $400. Temporary supplement is payable to such age when his/her public benefits are payable at 80% of their full amount, or for a minimum of one year.
Lump sum special payment (effective as of September 1, 2012):		32	For retirements before September 1, 2015, $3,000 to be paid at the end of the calendar year of retirement.
Eligibility service for this purpose is as of August 1, 2004		34	For retirements before September 1, 2015, $6,000 to be paid at the end of the calendar year of retirement.
		36	For retirements before September 1, 2015, $12,000 to be paid at the end of the calendar year of retirement.

Benefits not valued

Benefits provided upon the shutdown of a mining operation. These events are unpredictable and therefore not valued.

Participants will continue to accrue service for two more years or, if earlier, until retirement. For two years from the date of shutdown, early retirement eligibility is reduced as outlined by the three rules below. Participants who meet the reduced early retirement eligibility within the two-year period from the date of shutdown receive unreduced accrued benefits plus a monthly supplement of $400 per month until age 62.

	Rule of 65: Participants whose age plus service is at least 65 and who have at least 20 years of service. To qualify, age must be less than 55 and age plus service must be less than 80. Rule of 70: Participants whose age plus service is at least 70 and who have at least 15 years of service. To qualify, age must be greater than 54 and less than 62. Rule of 80: Participants who age plus service is at least 80 and who have at least 15 years of service. To qualify, age must be less than 62.
Forms of payment	Monthly pension benefits are paid as a life annuity with five years certain in the amount described above, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of the actuarially equivalent 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 50% joint and survivor annuity with a pop-up option, or a 50%, 75%, or 100% co-pensioner option.

Changes in Benefits Valued Since Prior Year

None.

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Pension Plan for Hourly Employees of The Cleveland-Cliffs
Iron Company and Its Associated Employers

EIN 34-0677332
Plan Number 004

December 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	The Bank of New York Mellon	Master Trust	$ 379,606,612	$ 472,935,089

* Identifies party-in-interest to the Plan.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers

EIN: 34-0677332 PN:004

2016 Form 5500

Schedule MB, Line 8b(2) – Schedule of Active Participant Data

		Years of Credited Service									
Attained Age		**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**	**Total**
Under 25	Number											
	Avg Earnings											
25-29	Number		17	18								35
	Avg Earnings											65,443
30-34	Number		18	83	22							123
	Avg Earnings			69,921	72,217							70,045
35-39	Number		26	83	41	5						155
	Avg Earnings		65,228	70,000	74,185							70,319
40-44	Number		13	76	36	22	2					149
	Avg Earnings			71,712	74,568	75,578						72,645
45-49	Number		14	65	23	42	16	2				162
	Avg Earnings			71,227	77,497	74,415						73,084
50-54	Number		16	56	21	46	26	2				167
	Avg Earnings			73,906	73,190	71,565	73,076					73,032
55-59	Number		12	33	17	34	15	14	27	19	12	183
	Avg Earnings			73,388		74,633			78,019			75,477
60-64	Number		3	6	7	7	4	2	10	4	19	62
	Avg Earnings											77,008
65-69	Number				1						2	3
	Avg Earnings											81,491
70&Over	Number											
	Avg Earnings											
Total			119	420	168	156	63	20	37	23	33	1,039

*Plan-eligible compensation is limited by Internal Revenue Code Section 401(a)(17) - $265,000 for plan year 2016.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN:004
2016 Form 5500
Schedule MB, line 9c and 9h - Schedule of Funding Standard Account Bases

	Initial Amount	Date of First Charge or Credit	Remaining Period	Outstanding Balance Beginning of Year	Amortization Charge or Credit
1. Amortization Charges					
2000 Plan Change	10,070,908	1/1/2000	14.000	7,485,761	830,494
2001 Actuarial Loss	29,772,969	1/1/2002	1.000	3,290,409	3,290,409
2002 Actuarial Loss	17,924,318	1/1/2003	2.000	3,807,151	1,974,592
2003 Actuarial Loss	28,608,220	1/1/2004	3.000	8,763,536	3,141,728
2004 Actuarial Loss	13,338,656	1/1/2005	4.000	5,241,057	1,460,405
2005 Plan Change	2,817,362	1/1/2005	19.000	2,424,167	230,070
2006 Assumption Change	8,453,399	1/1/2006	20.000	7,427,818	689,114
2006 Plan Change	778	1/1/2006	20.000	683	63
2007 Assumption Change	2,315,015	1/1/2007	21.000	2,073,096	188,403
2007 Plan Change	337	1/1/2007	21.000	302	27
2008 Assumption Change	15,888,920	1/1/2008	7.000	9,759,095	1,724,785
2008 Plan Change	573	1/1/2008	7.000	347	61
2008 Actuarial Loss	96,401,721	1/1/2009	8.000	65,241,348	10,436,645
2009 Assumption Change	637,468	1/1/2009	8.000	431,415	69,013
2009 Plan Change	5,741,796	1/1/2009	8.000	3,885,848	621,618
2010 Assumption Change	642,498	1/1/2010	9.000	471,878	69,378
2011 Actuarial Loss	16,402,325	1/1/2012	11.000	13,722,868	1,762,413
2012 Assumption Change	8,685,447	1/1/2012	11.000	7,266,608	933,242
2012 Plan Change	4,276	1/1/2012	11.000	3,574	459
2013 Assumption Change	697,771	1/1/2013	12.000	615,753	74,851
2013 Plan Change	2,164,049	1/1/2013	12.000	1,909,680	232,141
2014 Assumption Change	2,265,353	1/1/2014	13.000	2,094,959	242,621
2015 Actuarial Loss	38,527,744	1/1/2016	15.000	38,527,744	4,113,878
2016 Assumption Change	15,006,418	1/1/2016	15.000	15,006,418	1,602,341
Total Amortization Charges				**199,451,515**	**33,688,751**

2. Amortization Credits					
2005 Actuarial Gain	1,280,818	1/1/2006	5.000	605,510	139,820
2006 Actuarial Gain	16,286,041	1/1/2007	6.000	8,897,934	1,772,793
2007 Actuarial Gain	7,245,603	1/1/2008	7.000	4,450,309	786,531
2008 Method Change	2,303,458	1/1/2008	7.000	1,414,802	250,047
2009 Gain	15,681,376	1/1/2010	9.000	11,517,049	1,693,295
2010 Gain	19,617,301	1/1/2011	10.000	15,450,898	2,112,984
2011 Assumption Change	581,285	1/1/2011	10.000	457,827	62,610
2012 Actuarial Gain	20,987,671	1/1/2013	12.000	18,520,735	2,251,386
2013 Actuarial Gain	16,172,236	1/1/2014	13.000	14,955,796	1,732,061
2014 Actuarial Gain	5,778,218	1/1/2015	14.000	5,569,514	617,900
2015 Assumption Change	2,615,273	1/1/2015	14.000	2,520,812	279,667
Total Amortization Credits				**84,361,186**	**11,699,094**

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 11 – Justification for Change in Actuarial Assumptions

The actuarial assumptions were reviewed and modified to reflect my best estimate of future plan experience. As a result, the following changes were made:

1. The mortality table was updated to include one additional year of projected mortality improvements.
2. The current liability interest rate has been updated to 3.28%.
3. The valuation liability interest rate changed from 8.25% in 2015 to 7.75% in 2016.
4. The annual pay increase rate was changed from 2.5% to 2.0%.
5. Withdrawal rates were updated to eliminate the five-year select period rates (i.e. rate of termination was flat 7.50% for those with under 5 years of service) and reduced assumed termination rates at younger ages to better reflect anticipated future experience.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Statement of Actuarial Assumptions/Methods

Statement of actuarial assumptions and methods

Actuarial Assumptions and Methods - Contributions

Economic Assumptions

Interest rates:

- Funding interest rate 7.75%
- Current liability interest rate 3.28%

Annual rates of increase

- Compensation: 2.00%
- Future Social Security wage bases 4.00%
- Statutory limits on compensation N/A

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Statement of Actuarial Assumptions/Methods

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
► Healthy and disabled	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2031 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2023 using Scale AA).
Termination	Rates varying by age. Representative termination rates:

Age	*Male and Female*
25	3.0%
30	3.0%
35	2.5%
40	1.5%
45	1.0%
50	1.0%
55	1.0%

Disability — The rates at which participants become disabled by age and gender are shown below:

Age	*Males*	*Females*
30	0.0%	0.0%
35	0.0%	0.1%
40	0.1%	0.2%
45	0.2%	0.3%
50	0.5%	0.6%
55	1.0%	0.9%
60	1.6%	1.3%

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Statement of Actuarial Assumptions/Methods

Retirement — Rates varying by age.

Age	*Retirement rate*
49-54	8.0%
55-57	12.0%
58-61	20.0%
62-64	50.0%
65	65.0%
66-69	50.0%
70	100.0%

The weighted average retirement age is 56.

Benefit commencement date:

- Preretirement death benefit — The later of the death of the active participant or the date the participant would have attained early retirement age.
- Deferred vested benefit — Age 65 or age 62 for participants that terminated after age 40 with 15 years of service.
- Disability benefit — Upon disablement
- Retirement benefit — Upon termination of employment.

Form of payment — Five-year certain and life for active retirement; life annuity for other commencement of benefits.

Percent married — 80%.

Spouse age — Wife three years younger than husband.

Valuation pay — Base rate of pay increased by a 15% (overtime load) and further increased by one year of salary scale.

Administrative expenses — Investment return assumed to be net of expenses.

Cash flow

Timing of benefit payments — Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, line 6 – Statement of Actuarial Assumptions/Methods

Methods	
Valuation date	First day of plan year
Funding obligations	Multiemployer plan calculations use the entry age normal method (for actuarial liability) and the unit credit method (for current liability).
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the 3 immediately preceding months, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including contributions receivable. The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Funding policy	The companies funding policy is to make the minimum contribution required by law on a single-employer basis.
Benefits not valued	Willis Towers Watson has reviewed the plan provisions with Cliffs Natural Resources Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in assumptions and methods since prior valuation	The required mortality table used to calculate the liabilities and normal cost was updated to include one additional year of projected mortality improvements. For multiemployer calculations, the current liability interest rate has been updated to 3.28% and the valuation liability interest rate was updated to 7.75%. The annual pay increase rate was changed from 2.5% to 2.0% to better reflect the plan sponsor's expectations. Withdrawal rates were updated to eliminate the five-year select period rates (i.e. rate of termination was flat 7.50% for those with under 5 years of service) and reduced assumed termination rates at younger ages to better reflect anticipated future experience.

Pension Plan for Hourly Employees of the Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2017 Form 5500
Schedule R

13.

a. Name: Empire Iron Mining Partnership

b. EIN: 34-1186059

c. Amount contributed for plan year 2017: $3,256,662

d. Date collective bargaining agreement expires: 9/30/2018

e. Contribution rate: Check the box indicating more than one rate applies and provide the following information in an attachment labeled: Schedule R, line 13e - Information on Contribution Rates and Base Units (Include plan name, plan sponsor's name and EIN):

Per the current bargaining agreement, contributions are made to the Plan as if the Plan were a single-employer pension plan. Required contributions are allocated to each employer based on the employer's amount of benefits accruing in the Plan during the year, plus a prorated amount of any Plan shortfall.

a. Name: Tilden Mining Company LLC

b. EIN: 34-1804848

c. Amount contributed for plan year 2017: $7,136,675

d. Date collective bargaining agreement expires: 9/30/2018

e. Contribution rate: Check the box indicating more than one rate applies and provide the following information in an attachment labeled: Schedule R, line 13e - Information on Contribution Rates and Base Units (Include plan name, plan sponsor's name and EIN):

Per the current bargaining agreement, contributions are made to the Plan as if the Plan were a single-employer pension plan. Required contributions are allocated to each employer based on the employer's amount of benefits accruing in the Plan during the year, plus a prorated amount of any Plan shortfall.

14. a., b., & c. N/A

15. a. & b. N/A

16. a. 0

16. b. Leave Blank

Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company & Its Associated Employers
EIN: 34-0677332 PN: 004
2016 Form 5500
Schedule MB, Line 8b(1) - Schedule of Projection of Expected Benefit Payments

Plan Year	Expected Annual Benefit Payments
2016	35,574,400
2017	35,518,505
2018	35,603,190
2019	35,396,961
2020	35,109,292
2021	34,872,596
2022	34,736,400
2023	34,494,781
2024	34,167,484
2025	33,765,628

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ Complete all entries in accordance with the instructions to the Form 5500.

OMB Nos. 1210 - 0110
1210 - 0089

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A This return/report is for: [X] a multiemployer plan [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instr.)

B This return/report is: [ ] a single-employer plan [ ] a DFE (specify) _____
[ ] the first return/report [ ] the final return/report
[ ] an amended return/report [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here ▶ [X]

D Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] the DFVC program
[ ] special extension (enter description)

Part II Basic Plan Information - enter all requested information

1a Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 03/01/1950

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
THE CLEVELAND-CLIFFS IRON COMPANY

200 PUBLIC SQUARE
SUITE 3300
CLEVELAND OH 44114-2315

2b Employer Identification Number (EIN) 34-0677332

2c Plan Sponsor's telephone number 216-694-5505

2d Business code (see instructions) 212200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Kurt J. Holland	10/12/18	Kurt J. Holland
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Kurt J. Holland	10/12/18	Kurt J. Holland
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☐ Same as Plan Sponsor
EMPLOYEE BENEFITS ADMIN DEPT.
ATTN: KURT J. HOLLAND

200 PUBLIC SQUARE, SUITE 3300
CLEVELAND OH 44114-2315

3b Administrator's EIN
34-1215677

3c Administrator's telephone number
216-694-5505

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	5	3,291
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a (1) Total number of active participants at the beginning of the plan year	6a(1)	943
a (2) Total number of active participants at the end of the plan year	6a(2)	887
b Retired or separated participants receiving benefits	6b	1,601
c Other retired or separated participants entitled to future benefits	6c	234
d Subtotal. Add lines **6a(2), 6b,** and **6c**	6d	2,722
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	509
f Total. Add lines **6d** and **6e**	6f	3,231
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1B 2B 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)
(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust
(4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust
(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules
(1) ☒ **R** (Retirement Plan Information)
(2) ☒ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules
(1) ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information - Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE MB (Form 5500)	Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2017 This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▶	
Pension Plan for Hourly Ees of Cleveland-Cliffs Iron Co.		004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
THE CLEVELAND-CLIFFS IRON COMPANY	34-0677332	

E Type of plan: (1) [X] Multiemployer Defined Benefit (2) [ ] Money Purchase (see instructions)

1a	Enter the valuation date: Month 01 Day 01 Year 2017		
b	Assets		
	(1) Current value of assets	1b(1)	443,634,851
	(2) Actuarial value of assets for funding standard account	1b(2)	444,125,435
c	(1) Accrued liability for plan using immediate gain methods	1c(1)	413,929,707
	(2) Information for plans using spread gain methods:		
	(a) Unfunded liability for methods with bases	1c(2)(a)	
	(b) Accrued liability under entry age normal method	1c(2)(b)	
	(c) Normal cost under entry age normal method	1c(2)(c)	
	(3) Accrued liability under unit credit cost method	1c(3)	394,774,495
d	Information on current liabilities of the plan:		
	(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	1d(1)	
	(2) "RPA '94" information:		
	(a) Current liability	1d(2)(a)	633,136,049
	(b) Expected increase in current liability due to benefits accruing during the plan year	1d(2)(b)	11,285,564
	(c) Expected release from "RPA '94" current liability for the plan year	1d(2)(c)	36,426,816
	(3) Expected plan disbursements for the plan year	1d(3)	36,426,816

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Joseph A. Perko	8/18/18
	Signature of actuary	Date
JOSEPH A. PERKO		1706491
Type or print name of actuary		Most recent enrollment number
TOWERS WATSON DELAWARE, INC.		216-937-4000
Firm name		Telephone number (including area code)
1001 LAKESIDE AVENUE SUITE 1500 CLEVELAND OH 44114-1172 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

2 Operational information as of beginning of this plan year:

		(1) Number of participants	(2) Current liability
a Current value of assets (see instructions)	2a		443,634,851
b "RPA '94" current liability/participant count breakdown:			
(1) For retired participants and beneficiaries receiving payment		2,115	461,137,977
(2) For terminated vested participants		233	15,456,079
(3) For active participants:			
(a) Non-vested benefits			19,166,389
(b) Vested benefits			137,375,604
(c) Total active		943	156,541,993
(4) Total		3,291	633,136,049
c If the percentage resulting from dividing line 2a by line 2b(4), column (2), is less than 70%, enter such percentage	2c		%

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2018	10,478,899				
			Totals ► 3(b)	10,478,899	3(c) 0

4 Information on plan status:

a Funded percentage for monitoring plan's status (line 1b(2) divided by line 1c(3))	4a	112.5 %
b Enter code to indicate plan's status (see instructions for attachment of supporting evidence of plan's status). If code is "N," go to line 5	4b	N

c Is the plan making the scheduled progress under any applicable funding improvement or rehabilitation plan? ☐ Yes ☐ No

d If the plan is in critical status or critical and declining status, were any benefits reduced (see instructions)? ☐ Yes ☐ No

e If line d is "Yes," enter the reduction in liability resulting from the reduction in benefits (see instructions), measured as of the valuation date	4e	
f If the rehabilitation plan projects emergence from critical status or critical and declining status, enter the plan year in which it is projected to emerge. If the rehabilitation plan is based on forestalling possible insolvency, enter the plan year in which insolvency is expected and check here ☐	4f	

5 Actuarial cost method used as the basis for this plan year's funding standard account computations (check all that apply):

a ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit) **d** ☐ Aggregate
e ☐ Frozen initial liability **f** ☐ Individual level premium **g** ☐ Individual aggregate **h** ☐ Shortfall

i ☐ Other (specify):

j If box h is checked, enter period of use of shortfall method	5j	
k Has a change been made in funding method for this plan year?		☐ Yes ☒ No
l If line k is "Yes," was the change made pursuant to Revenue Procedure 2000-40 or other automatic approval?		☐ Yes ☐ No
m If line k is "Yes," and line l is "No," enter the date (MM-DD-YYYY) of the ruling letter (individual or class) approving the change in funding method	5m	

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability	6a	3.05 %			
		Pre-retirement		Post-retirement	
b Rates specified in insurance or annuity contracts		☐ Yes ☐ No ☒ N/A		☐ Yes ☐ No ☒ N/A	
c Mortality table code for valuation purposes:					
(1) Males	6c(1)	9		9	
(2) Females	6c(2)	9		9	
d Valuation liability interest rate	6d	7.75%		7.75 %	
e Expense loading	6e	0.0 %	☒ N/A	0.0%	☒ N/A
f Salary scale	6f	2.00 %	☐ N/A		
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g	7.5 %			
h Estimated investment return on current value of assets for year ending on the valuation date	6h	8.8 %			

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	5,569,451	594,689
4	760,393	81,193
3	1,182,214	126,233

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval	8a	
b(1) Is the plan required to provide a projection of expected benefit payments? (See the instructions.) If "Yes," attach a schedule		☒ Yes ☐ No
b(2) Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach a schedule		☒ Yes ☐ No
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?		☐ Yes ☒ No
d If line c is "Yes," provide the following additional information:		
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?		☐ Yes ☐ No
(2) If line 8d(1) is "Yes," enter the number of years by which the amortization period was extended	8d(2)	
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?		☐ Yes ☐ No
(4) If line 8d(3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))	8d(4)	
(5) If line 8d(3) is "Yes," enter the date of the ruling letter approving the extension	8d(5)	
(6) If line 8d(3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?		☐ Yes ☐ No
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	8e	

9 Funding standard account statement for this plan year:

Charges to funding standard account:		
a Prior year funding deficiency, if any	9a	0
b Employer's normal cost for plan year as of valuation date	9b	3,108,704

c Amortization charges as of valuation date:		Outstanding balance		
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	9c(1)	186,121,436		31,200,447
(2) Funding waivers	9c(2)			
(3) Certain bases for which the amortization period has been extended	9c(3)			
d Interest as applicable on lines 9a, 9b, and 9c			9d	2,658,959
e Total charges. Add lines 9a through 9d			9e	36,968,110
Credits to funding standard account:				
f Prior year credit balance, if any			9f	138,023,759
g Employer contributions. Total from column (b) of line 3			9g	10,478,899
		Outstanding balance		
h Amortization credits as of valuation date	9h	78,293,404		11,699,094
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h			9i	11,603,521
j Full funding limitation (FFL) and credits:				
(1) ERISA FFL (accrued liability FFL)	9j(1)	120,062,937		
(2) "RPA '94" override (90% current liability FFL)	9j(2)	123,655,349		
(3) FFL credit			9j(3)	0
k (1) Waived funding deficiency			9k(1)	0
(2) Other credits			9k(2)	0
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)			9l	171,805,273
m Credit balance: If line 9l is greater than line 9e, enter the difference			9m	134,837,163
n Funding deficiency: If line 9e is greater than line 9l, enter the difference			9n	
9 o Current year's accumulated reconciliation account:				
(1) Due to waived funding deficiency accumulated prior to the 2016 plan year			9o(1)	0
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:				
(a) Reconciliation outstanding balance as of valuation date			9o(2)(a)	0
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))			9o(2)(b)	0
(3) Total as of valuation date			9o(3)	0
10 Contribution necessary to avoid an accumulated funding deficiency. (See instructions.)			10	
11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions				☒ Yes ☐ No