

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ 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. ☒		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program	
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS</u>	1b	Three-digit plan number (PN) ▶ <u>004</u>
		1c	Effective date of plan <u>03/01/1950</u>
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) <u>THE CLEVELAND-CLIFFS IRON COMPANY</u> <u>200 PUBLIC SQUARE</u> <u>SUITE 3300</u> <u>CLEVELAND, OH 44114-2315</u>	2b	Employer Identification Number (EIN) <u>34-0677332</u>
		2c	Plan Sponsor's telephone number <u>216-694-5505</u>
		2d	Business code (see instructions) <u>212200</u>

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.	10/09/2019	KURT J. HOLLAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2019	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 (2018)
v. 171027

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 3231
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) 887
a(2) Total number of active participants at the end of the plan year	6a(2) 771
b Retired or separated participants receiving benefits.....	6b 1579
c Other retired or separated participants entitled to future benefits	6c 309
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 2659
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 484
f Total. Add lines 6d and 6e	6f 3143
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
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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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit 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 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
▶ 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 <u>PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE CLEVELAND-CLIFFS IRON COMPANY</u>	D Employer Identification Number (EIN) <u>34-0677332</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>	
2 Assets:	
a Market value.....	2a <u>483003798</u>
b Actuarial value	2b <u>487321349</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>2105</u> (2) Vested Funding Target <u>368420763</u> (3) Total Funding Target <u>368420763</u>
b For terminated vested participants	<u>239</u> <u>10596731</u> <u>10596731</u>
c For active participants	<u>887</u> <u>77838301</u> <u>93120496</u>
d Total	<u>3231</u> <u>456855795</u> <u>472137990</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.66 %</u>
6 Target normal cost	6 <u>6453955</u>

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 <u>JOSEPH A. PERKO</u>	Date <u>17-06491</u>
Type or print name of actuary <u>WILLIS TOWERS WATSON US LLC</u>	Most recent enrollment number <u>216-937-4000</u>
Firm name <u>1001 LAKESIDE AVENUE, SUITE 1500 CLEVELAND, OH 44114-1172</u>	Telephone number (including area code)
Address of the firm	

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	134837163	
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	134837163	
10 Interest on line 9 using prior year's actual return of _____ %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.85</u> %		
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	134837163	

Part III Funding Percentages

14 Funding target attainment percentage	14	74.65%
15 Adjusted funding target attainment percentage	15	103.21%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.27%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 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
Totals ▶			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21	Discount rate:			
a	Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%
		☐ N/A, full yield curve used		
b	Applicable month (enter code)	21b	4	
22	Weighted average retirement age	22	56	
23	Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate
		Current regulation:	☐ Prescribed - combined	☐ Prescribed - separate
			☐ Substitute	☐ Substitute

Part VI Miscellaneous Items

24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28	Unpaid minimum required contributions for all prior years	28	
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	6453955
b	Excess assets, if applicable, but not greater than line 31a	31b	
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment		
b	Waiver amortization installment		
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	6453955
		Carryover balance	Prefunding balance
35	Balances elected for use to offset funding requirement	6453955	6453955
36	Additional cash requirement (line 34 minus line 35)	36	
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contributions for all years	40	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41	If an election was made to use PRA 2010 funding relief for this plan:			
a	Schedule elected	☐ 2 plus 7 years	☐ 15 years	
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010
		☐ 2011		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
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)
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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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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	1509489	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(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	271368	Yes ☐ No ☒	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	149044	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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	87045	Yes ☐ No ☒	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 ☒	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
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(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:

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018					
<div>A</div> <div>Name of plan</div> <div>PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS</div>				<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>004</div>	
<div>C</div> <div>Plan or DFE sponsor's name as shown on line 2a of Form 5500</div> <div>THE CLEVELAND-CLIFFS IRON COMPANY</div>				<div>D</div> <div>Employer Identification Number (EIN)</div> <div>34-0677332</div>	
<div>Part I</div> <div>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</div> <div>(Complete as many entries as needed to report all interests in DFEs)</div>					
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div> <div>CLIFFS NATURAL RES MASTER PENSION T</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div> <div>CLIFFS NATURAL RESOURCES, INC. MASTER PENSION TRUST</div>					
<div>c</div> <div>EIN-PN</div> <div>34-1935032-001</div>		<div>d</div> <div>Entity code</div> <div>M</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div> <div>429407086</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div>					
<div>c</div> <div>EIN-PN</div>		<div>d</div> <div>Entity code</div>	<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div>		

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Schedule D (Form 5500) 2018 v.171027

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS</u>	B Three-digit plan number (PN) ► <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE CLEVELAND-CLIFFS IRON COMPANY</u>	D Employer Identification Number (EIN) <u>34-0677332</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	10478899	0
	(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)	472935328	429407086
	(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)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	483414227	429407086

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	59338	27562
k Total liabilities (add all amounts in lines 1g through 1j)	1k	59338	27562

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	483354889	429379524
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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)	0	
(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)		0
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)		-15061354
(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		-15061354

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	36682511	
(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)		36682511
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)	247240	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	1672637	
(4) Other	2i(4)	311623	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2231500
j Total expenses. Add all expense amounts in column (b) and enter total	2j		38914011

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-53975365
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) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ 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:

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.).....

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.)

	Yes	No	Amount
4a		X	
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 4156887. (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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE CLEVELAND-CLIFFS IRON COMPANY</u>	D Employer Identification Number (EIN) <u>34-0677332</u>

Part I	Distributions
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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): <u>34-0797057</u>		
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	<u>0</u>

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.)
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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
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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
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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.
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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

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

Schedule R (Form 5500) 2018
v. 171027

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

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): _____

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: 61.7% Investment-Grade Debt: 4.0% High-Yield Debt: 0.0% Real Estate: 16.5% Other: 17.8%

- 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, 2018

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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, 2018 and 2017, and the related statement of changes in net assets available for benefits for the years ended December 31, 2018 and 2017, 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, 2018 and 2017, and for the years ended December 31, 2018 and 2017, 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, 2018 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, 2019

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,	
	2018	2017
ASSETS		
Receivable - Employer Contributions	\$ —	\$ 10,479
Investments - Master Trust	429,407	472,935
Total Assets	429,407	483,414
LIABILITIES	28	59
Net Assets Available for Benefits	\$ 429,379	\$ 483,355

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,	
	2018	2017
Employer Contributions	\$ —	\$ 10,479
Investment Income (Loss):		
Interest, Dividends and Other Income	12,321	14,261
Net Realized and Unrealized Gain (Loss) on Assets	(27,383)	53,752
Total Investment Income (Loss) from Master Trust	(15,062)	68,013
Benefits Paid to Participants	(36,682)	(36,585)
PBGC Premiums	(90)	(92)
Administrative Expenses	(2,142)	(2,094)
Net Increase (Decrease)	(53,976)	39,721
Net Assets Available for Benefits:		
Beginning of Year	483,355	443,634
End of Year	\$ 429,379	\$ 483,355

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, amended and restated as of January 1, 2014, (the "Plan") 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 Employee 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% deferred vested benefit after five years of continuous service.

Effective September 30, 2018, the Employing Companies reached an agreement with the United Steelworkers. In this agreement, the pension multiplier increased from \$100 to \$115 per year of service for service after January 1, 2019. Additionally, the annual pension supplement paid to retirees who retired on or after January 1, 2015, was renewed for calendar years 2019, 2020, and 2021. The agreement also 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/BNY, N.A., 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 Investments Management Corporation ("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 Financial Accounting Standards Board ("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 and early adoption is permitted. The Plan will adopt the standard on its effective date of January 1, 2019. Management is analyzing the impact this will have, but anticipates the primary impact of the adoption on the Plan's financial statements will be changes to the required disclosures for our Master Trust. The new standard will not have a material impact on the Statement of Net Assets Available for Benefits or the Statement of Changes in Net Assets Available for Benefits.

In August 2018, the FASB issued Accounting Standards Update No. 2018-13 (ASU 2018-13), Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 removes, modifies and adds certain requirements to investment disclosures. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019 with early adoption permitted for eliminated or modified disclosure requirements. The Plan has adopted ASU 2018-13 and retrospectively applied it to 2017. There were no changes to the Statement of Net Assets Available for Benefits or Statement of Changes in Net Assets Available for Benefits. Certain investment disclosures have been eliminated to reflect the adoption of ASU 2018-13.

Valuation of Investments

Investments held by the Master Trust are stated at fair value as reported by the Trustee. Investments in participating units that have no quoted market price are stated at estimated fair value as determined by the Investment Advisor. Realized gains or losses on security transactions are recorded as the difference between net proceeds received and cost. Changes in net realized and 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 the Plan's accumulated benefits is determined using the projected unit of 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 benefits under the Plan 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 benefits under the Plan 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.

Plan Status

Effective January 1, 2018, for Internal Revenue purposes 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 Pension Benefit Guaranty Corporation (the "PBGC").

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, 2019, which is the date the financial statements were available to be issued.

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 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.

U.S. GAAP requires 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, 2018, there are no uncertain tax positions taken, or expected to be 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, 2018 and 2017 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 by the Trustee to the Plan Administrator.

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 Investment Advisor and Investment

Committee invest the 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.

Financial information relating to the net assets of the Master Trust is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2018	2017
Net Assets:		
Investments, at fair value:		
Cash Equivalents	\$ 16,087	\$ 6,709
Equity Mutual Funds	351,158	426,474
Fixed Income Funds	235,368	264,238
Hedge Funds	48,120	48,478
Private Equity Funds	55,495	51,820
Structured Credit Fund	102,866	95,384
Real Estate Funds	90,911	84,695
Total Investments	\$ 900,005	\$ 977,798
Receivable - Employer Contributions	8,981	22,707
Net Assets	<u>\$ 908,986</u>	<u>\$ 1,000,505</u>

Financial information relating to the net assets and employer contribution receivables of the Master Trust is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2018	2017
Ore Mining Companies Pension Plan	\$ 224,818	\$ 241,288
Pension Plan for Hourly Employees of The Cleveland-Cliffs Iron Company and Its Associated Employers	429,407	483,414
Pension Plan for Employees of Cleveland-Cliffs Inc. and Its Associated Employers	254,761	275,803
	<u>\$ 908,986</u>	<u>\$ 1,000,505</u>

Net activity of the Master Trust is as follows:

	(In Thousands)	
	Year Ended December 31,	
	2018	2017
Interest, Dividends and Other Income	\$ 25,894	\$ 29,778
Net Realized/Unrealized Investment Gain (Loss)	(58,009)	107,616
Total Investment Income (Loss) - Master Trust	\$ (32,115)	\$ 137,394
Other Net Deductions	(59,404)	(49,225)
Net Activity	\$ (91,519)	\$ 88,169

5. Accumulated Plan Benefits

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

	(In Thousands)	
	Year Ended December 31	
	2018	2017
Actuarial Present Value of Accumulated Benefits:		
Vested Benefits:		
Participants currently receiving payments	\$ 298,360	\$ 298,235
Other participants	62,290	60,635
	360,650	358,870
Non-vested benefits	12,967	11,186
Total actuarial present value of accumulated benefits	\$ 373,617	\$ 370,056

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

	(In Thousands)	
	Year Ended December 31	
	2018	2017
Beginning of year	\$ 370,056	\$ 373,788
Benefits accumulated	4,029	4,109
Actuarial losses	6,373	1,044
Assumption changes/Plan amendments	493	(1,967)
Interest cost	29,349	29,667
Benefits paid	(36,683)	(36,585)
End of year	\$ 373,617	\$ 370,056

Significant assumptions underlying the actuarial computations for the Plan were as follows:

Discount Rate	4.31% (2018) and 3.60% (2017)
Return on Assets	8.25% (2018 and 2017)
Salaried Increases	2.0% per annum (2018 and 2017)
Retirement Age:	
Active Employees	Sliding scale with 100% at age 70 (2018 and 2017)
Vested Terminations	Age 65

On December 31, 2018, the assumed mortality improvement projection was changed from generational scale MP-2017 to generational scale MP-2018. 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.

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

	(In Thousands)	
	Year Ended December 31,	
	2018	2017
Investments in the Master Trust, at fair value	\$ 429,407	\$ 472,935
Interest, dividend and other income	\$ 12,321	\$ 14,261
Net realized and unrealized gain (loss) on assets	\$ (27,383)	\$ 53,752

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. Usual and customary fees were paid by the mutual funds and alternative investments for the investment management services. In addition, the Plan has arrangements with various service providers and these arrangements 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- and small-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 funds classified as Level 1 investments include long-duration and intermediate-duration 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. Hedge funds are valued monthly and recorded on a one-month lag.

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 fund of 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, 2018, remaining commitments for the Master Trust total \$43,111 thousand. Committed amounts are funded from plan assets when capital calls are made. Investment commitments are not pre-funded in reserve accounts.

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.

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 fair value of one of the funds 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, 2018:

	(In Thousands)			
	Level 1	Level 2	Level 3	Total
Cash Equivalents	\$ 16,087	\$ —	\$ —	\$ 16,087
Equity Securities	351,158	—	—	351,158
Fixed Income Funds	199,212	36,156	—	235,368
Hedge Funds	—	—	48,120	48,120
Private Equity Funds	—	—	55,495	55,495
Structured Credit Fund	—	—	102,866	102,866
Real Estate Funds	—	—	90,911	90,911
	<u>\$ 566,457</u>	<u>\$ 36,156</u>	<u>\$ 297,392</u>	<u>\$ 900,005</u>

For the year ended December 31, 2018, the Master Trust had purchases and sales of assets using significant unobservable inputs (Level 3) of \$6,849 thousand and \$10,843 thousand, respectively.

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	—	—	95,384	95,384
Real Estate Funds	—	—	84,695	84,695
	<u>\$ 659,781</u>	<u>\$ 37,640</u>	<u>\$ 280,377</u>	<u>\$ 977,798</u>

For the year ended December 31, 2017, the Master Trust had purchases and sales of assets using significant unobservable inputs (Level 3) of \$74,749 thousand and \$84,589 thousand, respectively.

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, 2018

(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	\$ 380,778,009	\$ 429,407,086

* Identifies party-in-interest to the Plan.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V 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 January 1, 2014; most recent amendment December 21, 2017.
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	<p>Greater of (a) and (b)</p> <p>(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.</p> <p>(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.</p>

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.

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
 EIN / PN: 34-0677332/004
 Plan Sponsor: Cleveland-Cliffs Inc.
 Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

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:		30	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.
	or 65	5	
	or 60	15	
Temporary supplement	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.

Benefits not valued

Lump sum special payment benefits for certain participants with at least 32 years of service in 2004. This benefit is not valued because there is only one eligible participant.

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

Upon shutdown, 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.

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
 EIN / PN: 34-0677332/004
 Plan Sponsor: Cleveland-Cliffs Inc.
 Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

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.

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN: 34-0677332/004
Plan Sponsor: Cleveland-Cliffs Inc.
Valuation Date: January 1, 2018

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, 2018

(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	\$ 380,778,009	\$ 429,407,086

* Identifies party-in-interest to the Plan.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2018

Attained Age	Attained Years of Credited Service ¹										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	10	0	0	0	0	0	0	0	10
30-34	0	0	50	30	0	0	0	0	0	0	80
35-39	0	0	64	72	0	0	0	0	0	0	136
40-44	0	0	53	65	16	2	0	0	0	0	136
45-49	0	0	38	48	17	15	11	0	0	0	129
50-54	0	0	44	56	24	30	15	0	0	0	169
55-59	0	0	32	31	22	25	25	5	10	0	150
60-64	0	0	13	15	6	5	8	7	4	13	71
65-69	0	0	1	0	0	0	0	0	1	4	6
70 & over	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	305	317	85	77	59	12	15	17	887

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
 EIN / PN: 34-0677332/004
 Plan Sponsor: Cleveland-Cliffs Inc.
 Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- Applicable month September 2017
- Yield curve basis 3-Segment rates

Interest rates:

	Reflecting MAP-21/HATFA Corridors	Not Reflecting MAP-21/HATFA Corridors
■ First segment rate	3.92%	1.75%
■ Second segment rate	5.52%	3.76%
■ Third segment rate	6.29%	4.66%
■ Effective interest rate	5.66%	

Annual rates of increase

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

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN: 34-0677332/004
Plan Sponsor: Cleveland-Cliffs Inc.
Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

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 2033 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2025 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%

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN: 34-0677332/004
Plan Sponsor: Cleveland-Cliffs Inc.
Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

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 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

Hourly employees: base pay rate increased by 10% (overtime load) and further increased by \$10,000 (profit sharing bonus).

Adjustments made for periods in which mines were idled.

Administrative expenses

Target normal cost loaded with prior year expenses, adjusted according to expectations (expenses of \$377,536 for 2018).

At-risk assumptions

N/A

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.

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN: 34-0677332/004
Plan Sponsor: Cleveland-Cliffs Inc.
Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year
Actuarial value of assets	<p>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 discounted contributions receivable (discounted using the effective interest rate for the prior plan year).</p> <p>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.</p>
Benefits not valued	Willis Towers Watson has reviewed the plan provisions with Cleveland-Cliffs 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	<p>The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430.</p> <p>The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements, as allowed by IRC §430.</p> <p>The assumed plan-related expenses added to the target normal cost were changed from \$595,573 for 2017 to \$377,536 for 2018.</p>

Plan Name:	Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN:	34-0677332/004
Plan Sponsor:	Cleveland-Cliffs Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements, pursuant to the requirements of the Pension Protection Act of 2006. Cleveland-Cliffs Inc. elected to defer application of the new IRS mortality tables until 2019.

The assumed plan-related expenses added to the target normal cost as of January 1, 2018 were changed from \$595,573 for 2017 to \$377,536 for 2018.

Plan Name:	Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN:	34-0677332/004
Plan Sponsor:	Cleveland-Cliffs Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Cleveland-Cliffs Inc.
EIN/PN	34-0677332/004
Plan Name	Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
Valuation Date	January 1, 2018
Enrolled Actuary	Joseph A. Perko
Enrollment Number	17-06491

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2018

<i>Retirement Age</i> (1)	<i>Assumed Rate</i> (2)	<i>Participants At Beginning</i> (3)	<i>Participants Retiring: (2)x(3)</i> (4)	<i>(1)*(4)</i> (5)
49	8%	1,000	80	3,920
50	8%	920	74	3,700
51	8%	846	68	3,468
52	8%	778	62	3,224
53	8%	716	57	3,021
54	8%	659	53	2,862
55	12%	606	73	4,015
56	12%	533	64	3,584
57	12%	469	56	3,192
58	20%	413	83	4,814
59	20%	330	66	3,894
60	20%	264	53	3,180
61	20%	211	42	2,562
62	50%	169	85	5,270
63	50%	84	42	2,646
64	50%	42	21	1,344
65	65%	21	14	910
66	50%	7	4	264
67	50%	3	2	134
68	50%	1	1	68
69	50%	0	0	0
70	100%	0	0	0
			1,000	56,072

**Weighted Average
Retirement Age**

56,072 / 1,000 = 56

Plan Name: Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
 EIN / PN: 34-0677332/004
 Plan Sponsor: Cleveland-Cliffs Inc.
 Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 9 Explanation of Credit Balance Discrepancy as of January 1, 2018

Effective December 31, 2017, the Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers transitioned from a multiemployer plan to a single-employer plan for the January 1, 2018 plan year for funding purposes. Thus, note the following regarding current year information shown on the enclosed Form 5500 Schedule SB:

Due to the transition, this is the first year that the plan is subject to the minimum funding requirements of Code section 430 or ERISA section 303 and the amount entered on line 9a is equal to line 9m of the 2017 Schedule MB, and both columns of lines 7, 8, and 10 are blank.

Plan Name:	Pension Plan for Hourly Employees of Cleveland-Cliffs Iron Co. and Its Associated Employers
EIN / PN:	34-0677332/004
Plan Sponsor:	Cleveland-Cliffs Inc.
Valuation Date	January 1, 2018

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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**2018****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2018 or fiscal plan year beginning **01/01/2018** and ending **12/31/2018**

- A** This return/report is for: ☐ 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 ☒
- D** Check box if filing under: ☒ 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

2b Employer Identification Number (EIN)
34-0677332

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

2d Business code (see instructions)
212200

**200 PUBLIC SQUARE
 SUITE 3300
 CLEVELAND**

OH 44114-2315**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	<i>Kurt J. Holland</i>	<i>10/9/19</i>	KURT J. HOLLAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<i>Kurt J. Holland</i>	<i>10/9/19</i>	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 (2018)
v. 171027

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 3,231

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) 887

a (2) Total number of active participants at the end of the plan year

6a(2) 771

b Retired or separated participants receiving benefits

6b 1,579

c Other retired or separated participants entitled to future benefits

6c 309

d Subtotal. Add lines 6a(2), 6b, and 6c

6d 2,659

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits

6e 484

f Total. Add lines 6d and 6e

6f 3,143

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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit 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.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

► **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.

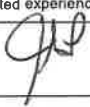
A Name of plan PENSION PLAN FOR HOURLY EMPLOYEES OF THE CLEVELAND-CLIFFS IRON COMPANY AND ITS ASSOCIATED EMPLOYERS	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ►</td> <td style="width:40%; text-align: center;">004</td> </tr> </table>	B Three-digit plan number (PN) ►	004
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: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	483,003,798	
b Actuarial value.....	2b	487,321,349	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	2,105	368,420,763	368,420,763
b For terminated vested participants	239	10,596,731	10,596,731
c For active participants	887	77,838,301	93,120,496
d Total	3,231	456,855,795	472,137,990
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	5.66%	
6 Target normal cost	6	6,453,955	

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  Signature of actuary	9/18/19 Date 1706491 Most recent enrollment number 216-937-4000 Telephone number (including area code)
JOSEPH A. PERKO Type or print name of actuary Willis Towers Watson US LLC Firm name 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 ☐

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

Schedule SB (Form 5500) 2018
v. 171027

Part II	Beginning of Year Carryover and Prefunding Balances
----------------	--

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8).....	134,837,163	0
10	Interest on line 9 using prior year's actual return of _____ %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.85%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
	c Total available at beginning of current plan year to add to prefunding balance.....		0
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	134,837,163	0

Part III	Funding Percentages
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14	Funding target attainment percentage	14	74.65%
15	Adjusted funding target attainment percentage.....	15	103.21%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.27%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV	Contributions and Liquidity Shortfalls
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18 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
			Totals ►	18(b)	0 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 56
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute
	Current regulation:	☐ Prescribed - combined	☐ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	6,453,955	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	6,453,955	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	6,453,955	0	6,453,955
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011