

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

THE DEPARTMENT OF THE TREASURY OF
THE STATE OF NEW JERSEY AND ITS
DIVISION OF INVESTMENT, on behalf of
itself and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,
JOSEPH CARRABBA, LAURIE BRLAS,
TERRY PARADIE, and DAVID B. BLAKE

Defendants.

Case No. 1:14-CV-1031-DAP

Judge Dan Aaron Polster

Magistrate Judge Greg White

DEFENDANTS' ANSWER TO PLAINTIFF'S SECOND AMENDED COMPLAINT

Defendants Cliffs Natural Resources Inc. ("Cliffs"), Joseph Carrabba, Laurie Brlas, Terrance M. Paradie, and David B. Blake (collectively, "Defendants") respond to plaintiff's Second Amended Complaint ("Complaint") as follows:

First Defense

1. Defendants admit that plaintiff purports to bring this action as a class action on behalf of those who purchased Cliffs' publicly traded common stock from March 14, 2012, through March 26, 2013. Defendants further admit that plaintiff purports to bring this action against Cliffs and individual Defendants Carrabba, Brlas, Blake, and Paradie, and that plaintiff's purported claims arise under Sections 10(b) and 20(a) of the Securities and Exchange Act and Rule 10b-5. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 1.

2. Defendants admit that Cliffs acquired Consolidated Thompson Iron Mines Limited in May 2011. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 2 inconsistent therewith. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 2.

3. Defendants admit that, on March 13, 2012, Cliffs announced a quarterly dividend increase of 123%. To the extent plaintiff purports to quote, paraphrase, or characterize statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 3 inconsistent therewith. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 3.

4. Denied.

5. Denied.

6. Defendants admit that, on February 12, 2013, Cliffs announced a reduction in its quarterly dividend from \$0.625 to \$0.15 per common share, and that at certain periods during the proposed class period, the market price of Cliffs common stock declined. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 6.

7. Defendants admit that Bloom Lake General Partner Limited and certain of its affiliates, including Cliffs Quebec Iron Mining ULC, have commenced restructuring proceedings in Montreal, Quebec, and that the estimated closure costs for Bloom Lake are expected to be in the range of \$650 million to \$700 million over five years. Defendants further admit that, for several months prior to the commencement of restructuring proceedings, Cliffs had been seeking

equity investors and exploring sale options for Bloom Lake. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 7.

8. Defendants admit that plaintiff purports to state claims under Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5. Defendants deny violations of the statutes and regulation referenced in this paragraph. The remainder of paragraph 8 sets forth legal conclusions to which no response is required. To the extent the remainder of paragraph 8 does not set forth legal conclusions to which no response is required, Defendants admit that this Court has jurisdiction over this action and otherwise deny each and every remaining allegation set forth in paragraph 8.

9. Defendants admit that Cliffs maintains its principal place of business in Cleveland, Ohio, and that certain acts pertaining to the management of Cliffs occurred in this District. The remainder of paragraph 9 sets forth legal conclusions to which no response is required. To the extent the remainder of paragraph 9 does not set forth legal conclusions to which no response is required, Defendants admit that venue is proper in this District and otherwise deny each and every remaining allegation set forth in paragraph 9.

10. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 10 and on that basis deny them.

11. Defendants admit that Cliffs is an Ohio corporation with its principal place of business at 200 Public Square, Cleveland, Ohio 44114-2315. Defendants admit that Cliffs is a leading mining and natural resources company, a major iron ore producer, and a producer of low-volatile metallurgical coal. Further, Defendants admit that Cliffs common stock trades on the New York Stock Exchange under the ticker symbol CLF; that the New York Stock Exchange was, at certain times and for certain purposes, an efficient one; and that Cliffs currently has over

153 million shares of common stock outstanding, as well as preferred shares, options, and debt securities. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 11.

12. Defendants admit that Defendant Carrabba served as chairman of the Board of Directors and as president and CEO of Cliffs during the putative class period. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 12.

13. Defendants admit that Defendant Brlas served as an executive vice president of Cliffs during the putative class period; served as president, global operations from October 1, 2012 to July 9, 2013; and served as chief financial officer prior to assuming her role as president, global operations. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 13.

14. Defendants admit that Defendant Paradie served as CFO of Cliffs from October 1, 2012 through the end of the putative class period and as Cliffs' corporate controller and CAO prior to his service as CFO. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 14.

15. Defendants admit that Defendant Blake served as senior vice president, North American iron ore operations for Cliffs during the putative class period. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 15.

16. Defendants admit that, from time to time, Defendants Carrabba, Brlas, Paradie, and Blake had access to, and were able to influence the contents of, certain documents issued on behalf of Cliffs. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 16.

17. Defendants admit that Cliffs issued a news release on January 11, 2011, regarding its agreement to acquire all of Consolidated Thompson Iron Mines Limited's common shares and that Cliffs issued a news release on May 12, 2011, announcing that it had closed on its acquisition of Consolidated Thompson for approximately \$4.9 billion Canadian. To the extent plaintiff purports to quote, paraphrase, or characterize Cliffs' press releases, Defendants state that the original documents speak for themselves and, on that basis, deny each and every allegation of paragraph 17 inconsistent therewith. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 17.

18. Defendants lack knowledge or information sufficient to form a belief as to whether CW10 expressed the supposed statements or opinions ascribed to him or her in paragraph 18, and on that basis deny those allegations. As to the allegations that CW29 expressed certain statements or opinions, CW29 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 18 alleges something beyond what CW10 or CW 29 supposedly said, defendants deny each and every such remaining allegation in paragraph 18.

19. Defendants admit that Cliffs developed a three-phase plan to increase production at Bloom Lake, referred to herein as Phase I, Phase II, and Phase III. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 19.

20. Defendants admit that Bloom Lake Phase II contemplated an increase in the iron ore production capacity rate at Bloom Lake to 16 million tons annually. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on

that basis, deny each and every allegation of paragraph 20 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 20.

21. Defendants admit that Bloom Lake Phase III contemplated an eventual increase in the iron ore production capacity rate at Bloom Lake to 24 million tons. Defendants further deny each and every remaining allegation set forth in paragraph 21.

22. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 22 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 22.

23. To the extent plaintiff purports to quote, paraphrase, or characterize a statement made by a third party, Defendants state that the original documents or other records purportedly containing the statement speak for themselves and, on that basis, deny each and every allegation of paragraph 23 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 23.

24. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 24 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 24.

25. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of

paragraph 25 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 25.

26. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 26 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 26.

27. Defendants admit that iron ore prices on worldwide commodities markets fluctuated in the second half of 2011, and that sales prices for iron ore from Cliffs' Eastern Canadian Iron Ore segment were influenced by prices on commodities markets. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 27.

28. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 28 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 28.

29. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 29 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 29.

30. Denied.

31. Defendants admit that Steve Raguz served as senior vice president, corporate strategy and communications & chief strategy officer from October 1, 2012 to May 1, 2013, and that in that role he conducted or oversaw various types of analyses, some of which related to dividends. As to the allegations that CW7 expressed certain statements or opinions, CW7 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. Defendants further deny each and every remaining allegation set forth in paragraph 31.

32. Defendants admit that, on March 13, 2012, Cliffs announced a quarterly dividend increase of 123%, from \$0.28 to \$0.625 per share, and that the putative class period proposed by plaintiff begins on March 14, 2012. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 32.

33. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 33 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 33.

34. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 34 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 34.

35. Denied.

36. Defendants admit that the dividend was tested across a number of future pricing scenarios. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 36 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 36.

37. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 37 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 37.

38. Denied.

39. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, deny each and every allegation of paragraph 39 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 39.

40. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 40 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 40.

41. Defendants admit that Cliffs' common stock closed at \$64.91 per share on March 13, 2012, at \$69.50 per share on March 14, 2012, and at \$72.00 per share on March 15, 2012. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 41.

42. Denied.

43. Denied.

44. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 44 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 44.

45. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 45 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 45.

46. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 46 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 46.

47. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly

containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 47 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 47.

48. Defendants admit that the fire referenced in paragraph 47 of the Complaint was not the sole factor influencing production costs at Bloom Lake. Defendants deny each and every remaining allegation set forth in paragraph 48.

49. To the extent plaintiff purports to quote, paraphrase, or characterize Cliffs' second quarter 2012 earnings announcement, Defendants state that the announcement purportedly containing the statements speaks for itself and, on that basis, Defendants deny each and every allegation in paragraph 49 inconsistent therewith. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 49.

50. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 50 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 50.

51. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 51 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 51.

52. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly

containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 52 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 52.

53. Defendants admit that Cliffs held an Analyst and Investor Day on July 31, 2012, during which Cliffs' senior leadership was to provide the financial community a review of Cliffs' strategy and highlight its major projects in Canada. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 53 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 53.

54. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 54 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 54.

55. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 55 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 55.

56. Denied.

57. Defendants admit that Defendant Paradie began serving as senior vice president and CFO of Cliffs on October 1, 2012, and that Defendant Brlas began serving as executive vice

president & president—global operations, on that same date. Defendants further admit that Cliffs announced its third quarter 2012 earnings results on October 24, 2012; to the extent plaintiff purports to quote, paraphrase, or characterize that earnings announcement, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 57 inconsistent therewith. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 57.

58. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 58 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 58.

59. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 59 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 59.

60. Defendants admit that Cliffs announced adjustments to its 2013 operating plan on November 19, 2012; to the extent plaintiff purports to quote, paraphrase, or characterize that announcement, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 60 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 60.

61. Defendants admit that, on February 12, 2013, Cliffs issued a news release announcing fourth-quarter and full-year earnings results for the period ending December 31, 2012. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 61 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 61.

62. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 62 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 62.

63. Defendants lack knowledge or information sufficient to form a belief as to whether unspecified CWs expressed the supposed statements or opinions ascribed to them in paragraph 63, and on that basis deny those allegations. To the extent paragraph 63 alleges something beyond what the unspecified CWs supposedly said, defendants deny each and every such remaining allegation in paragraph 63.

64. Defendants lack knowledge or information sufficient to form a belief as to whether CW1 expressed the supposed statements or opinions ascribed to him or her in paragraph 64, and on that basis deny those allegations. To the extent paragraph 64 alleges something beyond what CW1 supposedly said, defendants deny each and every such remaining allegation in paragraph 64.

65. Defendants lack knowledge or information sufficient to form a belief as to whether CW10 expressed the supposed statements or opinions ascribed to him or her in paragraph 65, and on that basis deny those allegations. To the extent paragraph 65 alleges something beyond what CW10 supposedly said, defendants deny each and every such remaining allegation in paragraph 65.

66. As to the allegations that CW29 expressed certain statements or opinions, CW29 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 66 alleges something beyond what CW 29 supposedly said, defendants deny each and every such remaining allegation in paragraph 18.

67. As to the allegations that CW2 expressed certain statements or opinions, CW2 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 67 alleges something beyond what CW2 supposedly said, defendants deny each and every such remaining allegation in paragraph 67.

68. Defendants lack knowledge or information sufficient to form a belief as to whether CW25 expressed the supposed statements or opinions ascribed to him or her in paragraph 68, and on that basis deny those allegations. As to the allegations that CW2 and CW29 expressed certain statements or opinions, CW2 and CW29 have disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 68 alleges something beyond what CW2, CW25 or CW29 supposedly said, defendants deny each and every such remaining allegation in paragraph 68.

69. Defendants admit that iron ore production is a multi-step process in which iron ore is separated from other materials by various mechanisms. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 69 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 69.

70. Defendants lack knowledge or information sufficient to form a belief as to whether CW11 expressed the supposed statements or opinions ascribed to him or her in paragraph 70, and on that basis deny those allegations. To the extent paragraph 70 alleges something beyond what CW11 supposedly said, defendants deny each and every such remaining allegation in paragraph 70.

71. Defendants lack knowledge or information sufficient to form a belief as to whether CW14 and CW15 expressed the supposed statements or opinions ascribed to them in paragraph 71, and on that basis deny those allegations. To the extent paragraph 71 alleges something beyond what CW14 and CW15 supposedly said, defendants deny each and every such remaining allegation in paragraph 71.

72. Defendants lack knowledge or information sufficient to form a belief as to whether CW27 expressed the supposed statements or opinions ascribed to him or her in paragraph 72, and on that basis deny those allegations. To the extent paragraph 72 alleges something beyond what CW27 supposedly said, defendants deny each and every such remaining allegation in paragraph 72.

73. Defendants admit that Jason Petrik joined Cliffs as Group Controller for the North American Business Unit in January 2010. As to the allegations that CW29 expressed certain

statements or opinions, CW29 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 73 alleges something beyond what CW 29 supposedly said, defendants deny each and every such remaining allegation in paragraph 73.

74. Defendants admit and aver that, as disclosed in its third quarter 2012 Form 10-Q, Cliffs conducted a qualitative assessment of the valuation of the CQIM reporting unit during the third quarter of 2012, and refer to the Form 10-Q for a fair and accurate portrayal of its contents. As to the allegations that CW7 expressed certain statements or opinions, CW7 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 74 alleges something beyond what CW7 supposedly said, defendants deny each and every such remaining allegation in paragraph 74.

75. Defendants lack knowledge or information sufficient to form a belief as to whether CW1 expressed the supposed statements or opinions ascribed to him or her in paragraph 75, and on that basis deny those allegations. To the extent paragraph 75 alleges something beyond what CW1 supposedly said, defendants deny each and every such remaining allegation in paragraph 75.

76. Defendants lack knowledge or information sufficient to form a belief as to whether CW5 expressed the supposed statements or opinions ascribed to him or her in paragraph 76, and on that basis deny those allegations. To the extent paragraph 76 alleges something beyond what CW5 supposedly said, defendants deny each and every such remaining allegation in paragraph 76.

77. Defendants admit that CW17 has stated that he or she worked as a Business Analyst—Resource Management and “was aware of certain projects within the Company that ran overtime.” CW17 also stated that, to the extent that Cliffs' Chief Information Officer was “taking [] forward” any information that CW17 gave him, CW17’s understanding was that he would be speaking with the relevant Project Managers about employee and contractor allocation. Defendants lack knowledge or information sufficient to form a belief as to whether CW17 expressed the remaining statements or opinions ascribed to him or her in paragraph 77, and on that basis deny those allegations. As to the allegations that CW29 expressed certain statements or opinions, CW29 has disavowed those allegations under oath, as set forth in Defendants’ motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 77 alleges something beyond what CW17 or CW29 supposedly said, defendants deny each and every such remaining allegation in paragraph 77.

78. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 78 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 78.

79. Denied.

80. Defendants lack knowledge or information sufficient to form a belief as to whether CW19 expressed the supposed statements or opinions ascribed to him or her in paragraph 80, and on that basis deny those allegations. To the extent paragraph 64 alleges something beyond what CW19 supposedly said, defendants deny each and every such remaining allegation in paragraph 80.

81. Defendants lack knowledge or information sufficient to form a belief as to whether CW16 and CW20 expressed the supposed statements or opinions ascribed to them in paragraph 81, and on that basis deny those allegations. To the extent paragraph 81 alleges something beyond what CW16 and CW20 supposedly said, defendants deny each and every such remaining allegation in paragraph 81.

82. Defendants lack knowledge or information sufficient to form a belief as to whether CW21 expressed the supposed statements or opinions ascribed to him or her in paragraph 82, and on that basis deny those allegations. To the extent paragraph 82 alleges something beyond what CW21 supposedly said, defendants deny each and every such remaining allegation in paragraph 82.

83. As to the allegations that CW18 expressed certain statements or opinions, CW18 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 83 alleges something beyond what CW18 supposedly said, defendants deny each and every such remaining allegation in paragraph 83.

84. Defendants lack knowledge or information sufficient to form a belief as to whether the unidentified "multiple" CWs expressed the supposed statements or opinions ascribed to them in paragraph 84, and on that basis deny those allegations. To the extent paragraph 84 alleges something beyond what the unidentified "multiple" CWs supposedly said, defendants deny each and every such remaining allegation in paragraph 84.

85. Defendants lack knowledge or information sufficient to form a belief as to whether CW1, CW16, CW25, and CW26 expressed the supposed statements or opinions ascribed to them in paragraph 85, and on that basis deny those allegations. As to the allegations

that CW2 and CW29 expressed certain statements or opinions, CW2 and CW29 have disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 85 alleges something beyond what CW1, CW2, CW16, CW25, CW26 or CW29 supposedly said, defendants deny each and every such remaining allegation in paragraph 85.

86. Defendants admit that due diligence was conducted in connection with Cliffs' acquisition of Consolidated Thompson Iron Mines Limited. Defendants lack knowledge or information sufficient to form a belief as to whether CW1, CW10, and CW17 expressed the supposed statements or opinions ascribed to them in paragraph 86, and on that basis deny those allegations. As to the allegations that CW29 expressed certain statements or opinions, CW29 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent plaintiff purports to quote, paraphrase, or characterize past other statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 86 inconsistent therewith. To the extent paragraph 86 alleges something else beyond what CW1, CW10, CW17 or CW 29 supposedly said, defendants deny each and every such remaining allegation in paragraph 86.

87. Defendants incorporate by reference here their response to paragraph 74. Defendants further deny each and every remaining allegation set forth in paragraph 87.

88. Denied.

89. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every

allegation in paragraph 89 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 89.

90. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 90 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 90.

91. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 91 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 91.

92. Defendants admit that Cliffs issued a news release on November 19, 2012. Defendants state that the news release paraphrased or quoted in paragraph 92 speaks for themselves and, on that basis, Defendants deny each and every allegation in paragraph 92 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 92.

93. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 93 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 93.

94. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 94 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 94.

95. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations pertaining to the purported statements or opinions of the unidentified “numerous” CWs set forth in paragraph 95 and on that basis deny them. Defendants further deny each and every remaining allegation set forth in paragraph 95.

96. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations pertaining to executives in Montreal attempting to hide the actual costs of Phase II and on that basis deny them. Defendants further deny each and every remaining allegation set forth in paragraph 96.

97. Defendants admit that Pascal Vallée served as Phase II Project Manager. Defendants lack knowledge or information sufficient to form a belief as to whether CW16 expressed the supposed statements or opinions ascribed to him or her in paragraph 97, and on that basis deny those allegations. To the extent paragraph 97 alleges something beyond what CW16 supposedly said, defendants deny each and every such remaining allegation in paragraph 97.

98. Defendants lack knowledge or information sufficient to form a belief as to whether CW16 expressed the supposed statements or opinions ascribed to him or her in paragraph 98, and on that basis deny those allegations. To the extent paragraph 98 alleges

something beyond what CW16 supposedly said, defendants deny each and every such remaining allegation in paragraph 98.

99. Defendants lack knowledge or information sufficient to form a belief as to whether CW16 expressed the supposed statements or opinions ascribed to him or her in paragraph 99, and on that basis deny those allegations. To the extent paragraph 99 alleges something beyond what CW16 supposedly said, defendants deny each and every such remaining allegation in paragraph 99.

100. Defendants incorporate by reference here their responses to paragraphs 65, 67-68, and 72-73. Defendants further deny each and every remaining allegation set forth in paragraph 100.

101. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 101 inconsistent therewith. Defendants lack knowledge or information sufficient to form a belief as to whether CW16 expressed the supposed statements or opinions ascribed to him or her in paragraph 101, and on that basis deny those allegations. To the extent paragraph 101 alleges something beyond what CW16 supposedly said, defendants deny each and every such remaining allegation in paragraph 101.

102. Denied.

103. Denied.

104. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every

allegation in paragraph 104 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 104.

105. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 105 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 105.

106. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 106 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 106.

107. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 107 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 107

108. Defendants admit that the spot price for dry iron ore fell below \$100 per ton during the third quarter of 2012. Defendants further admit that Cliffs disclosed its third quarter 2012 results on October 24, 2012, and refer to that earnings announcement for a fair and accurate portrayal of its contents. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and

every allegation in paragraph 108 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 108.

109. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 109 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 109.

110. Denied.

111. Defendants lack knowledge or information sufficient to form a belief as to whether the unidentified “several” CWs expressed the supposed statements or opinions ascribed to them in paragraph 111, and on that basis deny those allegations. To the extent paragraph 111 alleges something beyond what those CWs supposedly said, defendants deny each and every such remaining allegation in paragraph 111.

112. Defendants lack knowledge or information sufficient to form a belief as to whether CW24 expressed the supposed statements or opinions ascribed to him or her in paragraph 112, and on that basis deny those allegations. To the extent paragraph 112 alleges something beyond what CW24 supposedly said, defendants deny each and every such remaining allegation in paragraph 112.

113. Defendants lack knowledge or information sufficient to form a belief as to whether CW24 expressed the supposed statements or opinions ascribed to him or her in paragraph 113, and on that basis deny those allegations. To the extent paragraph 113 alleges something beyond what CW24 supposedly said, defendants deny each and every such remaining allegation in paragraph 113.

114. Defendants incorporate by reference here their responses to paragraph 38. Defendants further deny each and every remaining allegation set forth in paragraph 114.

115. As to the allegations that CW7 expressed certain statements or opinions, CW7 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 115 alleges something beyond what CW7 supposedly said, defendants deny each and every such remaining allegation in paragraph 115.

116. As to the allegations that CW2 expressed certain statements or opinions, CW2 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 116 alleges something beyond what CW2 supposedly said, defendants deny each and every such remaining allegation in paragraph 116.

117. As to the allegations that CW2 expressed certain statements or opinions, CW2 has disavowed those allegations under oath, as set forth in Defendants' motion to strike, and Defendants therefore deny those allegations. To the extent paragraph 117 alleges something beyond what CW2 supposedly said, defendants deny each and every such remaining allegation in paragraph 117.

118. Defendants admit that, on February 12, 2013, Cliffs issued a news release announcing fourth-quarter and full-year earnings results for the period ending December 31, 2012, that the news release included announcement of a reduction in Cliffs' quarterly dividend from \$0.625 to \$0.15 per common share and that, previously, on March 13, 2012, Cliffs had announced a quarterly dividend increase of 123%. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 118.

119. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 119 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 119.

120. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 120 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 120.

121. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 121 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 121.

122. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 122 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 122.

123. Denied.

124. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing

the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 124 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 124.

125. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 125 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 125.

126. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 126 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 126.

127. Denied.

128. Denied.

129. Denied.

130. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 130 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 130.

131. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly

containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 131 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 131.

132. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 132 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 132.

133. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 133 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 133.

134. Denied.

135. Defendants admit that Cliffs issued a news release on July 9, 2013, announcing that Defendant Carrabba had ended his service as chairman of the Board of Directors, that he planned to retire as president and CEO of Cliffs by December 31, 2013, and that Defendant Brlas had retired as executive vice president and president, global operations. Defendants further admit that Defendant Blake resigned from his position with Cliffs effective October 31, 2013. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 135.

136. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing

the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 136 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 136.

137. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 137 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 137.

138. Defendants admit that Cliffs announced the final results of its Board of Directors election in a Form 8-K/A dated August 8, 2014, and that Cliffs issued a news release on August 7, 2014, announcing that the Board of Directors had appointed Lourenco Goncalves to the positions of chairman, president, and CEO. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 138 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 138.

139. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 139 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 139.

140. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing

the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 140 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 140.

141. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 141 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 141.

142. To the extent paragraph 142 or its subparts refer to or rely upon allegations made in other paragraphs of the Complaint, Defendants incorporate their responses to those other paragraphs as if fully set forth here. Defendants lack knowledge or information sufficient to form a belief as to whether, regarding material other than that drawn from other paragraphs of the Complaint, the CWs referred to in the various subparts of this paragraph expressed any of the other supposed statements or opinions ascribed to them, and (except as to CW17 regarding reporting of “deltas” at Bloom lake, which is denied based on CW17’s disavowal under oath as set forth in the initial motion to strike) on that basis deny those allegations. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 142 or its subparts inconsistent therewith. Defendants state that allegations regarding what an individual or entity “would have” done are speculative and lack specificity as to whether and when the thing alleged was actually done and, on that basis, deny all such allegations. Defendants admit that Cliffs announced on July 9, 2013, that James Kirsch had been elected non-executive chairman of the

Board, replacing Joseph Carrabba, and that Mr. Carrabba had informed the Board of Directors of his plans to retire as Cliffs' president and chief executive officer by December 31, 2012.

Defendants admit iron mining and processing at Bloom Lake was a significant part of Cliffs' business during the putative class period. Defendants deny each and every remaining allegation set forth in paragraph 142 or its subparts.

143. Denied.

144. Defendants admit that Cliffs released its earnings for the first quarter of 2012 on April 25, 2012, and that it held a conference call to discuss first-quarter results on April 26, 2012. Defendants further admit that Cliffs' common stock closed at \$67.11 per share on April 25, 2012, and at \$63.54 per share on April 26, 2012. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 144 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 144.

145. Defendants admit that Cliffs released its earnings for the second quarter of 2012 on July 25, 2012. Defendants further admit that Cliffs' common stock closed at \$41.15 per share on July 25, 2012, and at \$38.57 per share on July 26, 2012. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 145 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 145.

146. Defendants admit that Cliffs released its earnings for the third quarter of 2012 on October 24, 2012, and that Cliffs held a conference call to discuss third-quarter results on

October 25, 2012. Defendants further admit that Cliffs' common stock closed at \$42.69 per share on October 24, 2012, and at \$38.20 per share on October 25, 2012. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 146 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 146.

147. Defendants admit that Cliffs issued an announcement addressing adjustments to its 2013 operating plan on November 19, 2012. Defendants further admit that Cliffs' common stock closed at \$35.29 per share on November 19, 2012, and at \$30.48 per share on November 20, 2012. Defendants admit that Goldman Sachs issued an analyst report concerning Cliffs on November 20, 2012. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 147 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 147.

148. Defendants admit that, on February 12, 2013, Cliffs issued a news release announcing fourth-quarter and full-year earnings results for the period ending December 31, 2012, and that the new release included announcement of a reduction in Cliffs' quarterly dividend from \$0.625 to \$0.15 per common share. Defendants admit that Cliffs conducted an earnings conference call on February 13, 2013. Defendants further admit that Cliffs' common stock closed at \$36.61 per share on February 12, 2013, and at \$29.29 per share on February 13, 2013. To the extent plaintiff purports to quote, paraphrase, or characterize past statements, Defendants state that the original documents or other records purportedly containing the

statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 148 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 148.

149. Defendants admit that Cliffs' common stock closed at \$69.50 per share on March 14, 2012, at \$21.43 per share on March 26, 2013, and at \$18.46 per share on March 27, 2013. Defendants admit that Credit Suisse and Morgan Stanley issued analyst reports concerning Cliffs on March 26 and March 27, 2013, respectively. To the extent plaintiff purports to quote, paraphrase, or characterize statements made by third parties, Defendants state that the original documents or other records purportedly containing the statements speak for themselves and, on that basis, Defendants deny each and every allegation in paragraph 149 inconsistent therewith. Defendants further deny each and every remaining allegation set forth in paragraph 149.

150. Denied.

151. Defendants admit that Cliffs' common stock met the requirements for listing on the New York Stock Exchange and was in fact listed and traded on that exchange during the putative class period; that Cliffs filed periodic reports with the SEC and the New York Stock Exchange; that Cliffs from time to time communicated with investors via established mechanisms; that certain securities analysts issued and disseminated reports regarding Cliffs' securities; and that, at certain times, the market for Cliffs' publicly traded common stock promptly digested current information regarding Cliffs from publicly available sources and reflected such information in the prices of Cliffs' publicly traded common stock. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 151.

152. Paragraph 152 sets forth legal conclusions to which no response is required. To the extent paragraph 152 does not set forth legal conclusions to which no response is required, Defendants deny each and every allegation set forth in paragraph 152.

153. Defendants admit that plaintiff purports to bring this action as a class action pursuant to Federal Rule of Civil Procedure 23 on behalf of all persons who purchased Cliffs' common stock during the purported class period. Defendants further admit that plaintiff excludes from its purported class "Defendants and their families, directors, and officers of Cliffs and their families and affiliates." Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 153.

154. Defendants admit that Cliffs has more than 153 million shares of common stock outstanding, owned by a number of investors. Except as specifically admitted, Defendants deny each and every allegation set forth in paragraph 154.

155. Denied.

156. Denied.

157. Denied.

158. Denied.

159. Denied.

160. Denied.

161. Denied.

162. Denied.

163. Denied.

164. Denied.

165. Denied.

166. Denied.

167. Denied.

168. Denied.

Defendants deny that plaintiff or the purported class members are entitled to any form of relief. Defendants admit that plaintiff demands a trial by jury. Except as specifically admitted above, Defendants deny each and every allegation set forth in the Complaint.

Additional Defenses

In setting forth the additional defenses listed below, Defendants do not admit that any of those defenses are in the nature of affirmative defenses as to which Defendants bear the burden of proof. Without assuming any burden they would not otherwise bear, Defendants assert the following additional defenses to the Complaint:

Second Defense

The Complaint fails to set forth a claim upon which relief can be granted.

Third Defense

The Complaint is barred in whole or in part for failure to meet the heightened pleading standards of Rule 9(b) of the Federal Rules of Civil Procedure and/or the Private Securities Litigation Reform Act.

Fourth Defense

The Complaint fails to the extent that any alleged misrepresentations, omissions, or other conduct was not material.

Fifth Defense

The Complaint fails to the extent that the statements about which plaintiff complains were non-actionable statements of opinion.

Sixth Defense

In making some or all of its purchases of Cliffs securities, plaintiff did not act in reasonable reliance upon statements alleged to have been made by Defendants.

Seventh Defense

In making some or all of its purchases of Cliffs securities, plaintiff relied on factors extraneous to the market price of Cliffs securities.

Eighth Defense

Any allegedly actionable act, statement, representation, or written or verbal omission by persons or entities other than Defendants was not authorized by Defendants and was not performed with actual, implied, or apparent authority.

Ninth Defense

Plaintiff's claims are barred in whole or in part for failure to plead or prove loss causation.

Tenth Defense

Plaintiff suffered no compensable loss as a result of its investment in Cliffs stock.

Eleventh Defense

Plaintiff's alleged damages, if any, are barred in whole or in part to the extent plaintiff failed to mitigate any damages that it may have suffered.

Twelfth Defense

Plaintiff's alleged damages, if any, should be offset by any tax, insurance, or other benefit plaintiff or members of the putative class received or could receive.

Thirteenth Defense

Plaintiff's claims fail to the extent they seek to recover damages for trading losses that were or would have been offset by subsequent gains in Cliffs' stock price, including gains arising after the purported class period.

Fourteenth Defense

The Complaint is barred in whole or in part by the doctrine of unclean hands.

Fifteenth Defense

Plaintiff's claims fail in whole or in part because the Complaint fails to allege facts giving rise to a strong inference of scienter, and because Defendants lacked the requisite scienter.

Sixteenth Defense

Plaintiff's claims fail as impermissible "fraud by hindsight."

Seventeenth Defense

Assuming solely for purposes of pleading this defense that plaintiff suffered damage from the acts about which it complains, any liability must be reduced or eliminated under the doctrines of comparative responsibility, assumption of risk, contribution, and/or indemnity.

Eighteenth Defense

Assuming solely for purposes of pleading this defense that Defendants engaged in any act about which plaintiff complains, the Complaint is barred in whole or in part because the actions complained of therein were undertaken in good faith and with the proper exercise of business judgment, and with at least the degree of care, diligence, and skill that ordinary prudent persons would exercise in similar circumstances.

Nineteenth Defense

The misrepresentations and omissions complained of were not the cause-in-fact or proximate cause of any damages suffered by plaintiff or the putative class.

Twentieth Defense

Plaintiff's claims fail to the extent that Defendants' statements are covered by the safe harbor provisions in the Private Securities Litigation Reform Act, including those contained in 15 U.S.C. § 78u-5.

Twenty-first Defense

Plaintiff's claims fail to the extent that they rely on statements protected by the relevant statutory and common law safe harbors, or the "bespeaks caution" doctrine.

Twenty-second Defense

Plaintiff's claims are barred, or recovery on such claims is proportionately reduced by, the acts or omissions of plaintiff and other persons, through operation of principles of comparative or contributory fault including the principles of 15 U.S.C. § 78u-4(f).

Twenty-third Defense

Plaintiff's damages, if any, were not proximately caused by any conduct of Defendants, but were the result of superseding or intervening conduct or events for which Defendants is not liable.

Twenty-fourth Defense

Under § 10(b) of the Securities and Exchange Act and Rule 10b-5, the individual Defendants may not be held liable as secondary actors for statements made by others.

Twenty-fifth Defense

Plaintiff's claims under § 20(a) of the Securities and Exchange Act fail because the individual Defendants did not participate in a violation of § 10(b) of the Securities and Exchange Act or Rule 10b-5.

Twenty-sixth Defense

Defendants specifically preserve their right to supplement this list of additional defenses following completion of discovery.

WHEREFORE, Defendants pray that all claims asserted against them in the Complaint be dismissed with prejudice at plaintiff's cost and that Defendants be awarded their costs herein, including attorneys' fees, and such other and further relief to which they may be entitled at law or in equity.

Dated: December 21, 2015

/s/ John M. Newman, Jr.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Defendants' Answer to Plaintiff's Second Amended Complaint was filed electronically on December 21, 2015. Notice of this filing will be sent by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ John M. Newman, Jr.

John M. Newman, Jr. (0005763)

*One of the Attorneys for Defendants
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