UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______.

Commission File Number: 1-8944

CLIFFS NATURAL RESOURCES INC.
(Exact Name of Registrant as Specified in Its Charter)

Ohio	34-1464672
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
200 Public Square, Cleveland, Ohio	44114-2315
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's Telephone Number, Including Area Code: (216) 694-5700
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, par value $0.125 per share	New York Stock Exchange
Depositary Shares, each representing a 1/40th ownership interest in a share of 7.00% Series A Mandatory Convertible Preferred Stock, Class A	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

As of June 30, 2014, the aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant, based on the closing price of $15.05 per share as reported on the New York Stock Exchange — Composite Index, was $2,397,182,297 (excluded from this figure is the voting stock beneficially owned by the registrant's officers and directors).

The number of shares outstanding of the registrant's common shares, par value $0.125 per share, was 153,279,552 as of February 23, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for its 2015 annual meeting of shareholders are incorporated by reference into Part III.

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DEFINITIONS

The following abbreviations or acronyms are used in the text. References in this report to the "Company," "we," "us," "our" and "Cliffs" are to Cliffs Natural Resources Inc. and subsidiaries, collectively. References to "A$" or "AUD" refer to Australian currency, "C$" to Canadian currency and "$" to United States currency.

Abbreviation or acronym	Term
Amapá	Anglo Ferrous Amapá Mineração Ltda. and Anglo Ferrous Logística Amapá Ltda.
AG	Autogenous Grinding
Anglo	Anglo American plc
APBO	Accumulated Postretirement Benefit Obligation
ArcelorMittal	ArcelorMittal (as the parent company of ArcelorMittal Mines Canada, ArcelorMittal USA and Dofasco, as well as, many other subsidiaries)
ArcelorMittal USA	ArcelorMittal USA LLC (including many of its North American affiliates, subsidiaries and representatives. References to ArcelorMittal USA comprise all such relationships unless a specific ArcelorMittal USA entity is referenced)
ASC	Accounting Standards Codification
Barrick	Barrick Gold Corporation Inc.
BART	Best Available Retrofit Technology
Bloom Lake	The Bloom Lake Iron Ore Mine Limited Partnership
BNSF	Burlington Northern Santa Fe, LLC
CCAA	Companies' Creditors Arrangement Act (Canada)
CFR	Cost and freight
Chromite Project	Cliffs Chromite Ontario Inc.
CIRB	Canadian Industrial Relations Board
CLCC	Cliffs Logan County Coal LLC
Clean Water Act	Federal Water Pollution Control Act
Cliffs Chromite Far North Inc.	Entity previously known as Spider Resources Inc.
Cliffs Chromite Ontario Inc.	Entity previously known as Freewest
CN	Canadian National Railway Company
Cockatoo Island	Cockatoo Island Joint Venture
CODM	Chief Operating Decision Maker
Compensation Committee	Compensation and Organization Committee
Consent Order	Administrative Order by Consent
Consolidated Thompson	Consolidated Thompson Iron Mining Limited (now known as Cliffs Québec Iron Mining ULC)
CQIM	Cliffs Québec Iron Mining ULC (formerly known as Cliffs Québec Iron Mining Limited)
Cr^2O^3	Chromium Oxide
CSAPR	Cross-State Air Pollution Rule
DD&A	Depreciation, depletion and amortization
DEP	U.S. Department of Environment Protection
Directors' Plan	Cliffs Natural Resources Inc. 2014 Nonemployee Directors' Compensation Plan
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
Dofasco	ArcelorMittal Dofasco Inc.
EBITDA	Earnings before interest, taxes, depreciation and amortization
Empire	Empire Iron Mining Partnership
EPA	U.S. Environmental Protection Agency
EPS	Earnings per share
EPSL	Esperance Port Sea and Land
ERM	Enterprise Risk Management
Essar	Essar Steel Algoma Inc.
Essar Sale Agreement	2002 Pellet Sale and Purchase Agreement as amended
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Fe	Iron
(Fe,Mg) (Cr,Al,Fe)2O4	Mineral Chromite
FeT	Total Iron
FIP	Federal Implementation Plan
FMSH Act	U.S. Federal Mine Safety and Health Act 1977, as amended

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Abbreviation or acronym	Term
Freewest	Freewest Resources Canada Inc. (now known as Cliffs Chromite Ontario Inc.)
GAAP	Accounting principles generally accepted in the United States
GHG	Greenhouse gas
Hibbing	Hibbing Taconite Company
ICE Plan	Amended and Restated Cliffs 2007 Incentive Equity Plan, as amended
INR	INR Energy, LLC
IRS	U.S. Internal Revenue Service
Ispat	Ispat Inland Steel Company
Koolyanobbing	Collective term for the operating deposits at Koolyanobbing, Mount Jackson and Windarling
LCM	Lower of cost or market
LIBOR	London Interbank Offered Rate
LIFO	Last-in, first-out
LTVSMC	LTV Steel Mining Company
MDEQ	Michigan Department of Environmental Quality
MMBtu	Million British Thermal Units
Moody's	Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors
MPCA	Minnesota Pollution Control Agency
MPI	Management Performance Incentive Plan
MPSC	Michigan Public Service Commission
MPUC	Minnesota Public Utilities Commission
MRPS	Mandatory redeemable preference shares
MRRT	Minerals Resource Rent Tax (Australia)
MSHA	U.S. Mine Safety and Health Administration
MWh	Megawatts per hour
n/m	Not meaningful
NAAQS	National Ambient Air Quality Standards
NBCWA	National Bituminous Coal Wage Agreement
NDEP	Nevada Department of Environmental Protection
Ni	Nickel
NO_2	Nitrogen dioxide
NO_x	Nitrogen oxide
Northshore	Northshore Mining Company
NPDES	National Pollutant Discharge Elimination System, authorized by the U.S. Clean Water Act
NRD	Natural Resource Damages
NSPS	New Source Performance Standards
NYSE	New York Stock Exchange
Oak Grove	Oak Grove Resources, LLC
OCI	Other comprehensive income (loss)
OPEB	Other postretirement benefits
OPEB cap	Medical premium maximums
P&P	Proven and Probable
PBO	Projected benefit obligation
Pinnacle	Pinnacle Mining Company, LLC
Pluton Resources	Pluton Resources Limited
Reconciliation Act	Health Care and Education Reconciliation Act
Ring of Fire properties	Black Thor, Black Label and Big Daddy chromite deposits in Ontario, Canada
ROA	Return on asset
RTWG	Rio Tinto Working Group
S&P	Standard & Poor's Rating Services, a division of Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and its successors
SARs	Stock Appreciation Rights
SEC	U.S. Securities and Exchange Commission
Severstal	Severstal Dearborn, LLC
Silver Bay Power	Silver Bay Power Company

Abbreviation or acronym	Term
SIP	State Implementation Plan
SMCRA	Surface Mining Control and Reclamation Act
SO2	Sulfur dioxide
Sonoma	Sonoma Coal Project
Spider	Spider Resources Inc. (now known as Cliffs Chromite Far North Inc.)
STRIPS	Separate Trading of Registered Interest and Principal of Securities
Substitute Rating Agency	A "nationally recognized statistical rating organization" within the meaning of Section 3 (a)(62) of the Exchange Act, selected by us (as certified by a certificate of officers confirming the decision of our Board of Directors) as a replacement agency of Moody's or S&P, or both of them, as the case may be
Tilden	Tilden Mining Company
TMDL	Total Maximum Daily Load
TRIR	Total Reportable Incident Rate
TSR	Total Shareholder Return
U/G	Underground
UMWA	United Mineworkers of America
United Taconite	United Taconite LLC
UP 1994	1994 Uninsured Pensioner Mortality Table
U.S.	United States of America
U.S. Steel Canada	U.S. Steel Canada Inc., a subsidiary of United States Steel Corporation
USW	United Steelworkers
Vale	Companhia Vale do Rio Doce
VEBA	Voluntary Employee Benefit Association trusts
VNQDC Plan	2005 Voluntary NonQualified Deferred Compensation Plan, as amended
VWAP	Volume Weighted Average Price
Wabush	Wabush Mines Joint Venture
Weirton	ArcelorMittal Weirton Inc.
WISCO	Wugang Canada Resources Investment Limited, a subsidiary of Wuhan Iron and Steel (Group) Corporation
Zamin	Zamin Ferrous Ltd
1974 PP	The UMWA 1974 Pension Plan
2008 Director's Plan	Nonemployee Directors’ Compensation Plan, as amended and restated 12/31/2008
2012 Equity Plan	Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan

PART I

Item 1. *Business*

Introduction

Cliffs Natural Resources Inc. traces its history back to 1847. Today, we are a leading mining and natural resources company. We are a major supplier of iron ore pellets to the North American steel industry from our mines and pellet plants located in Michigan and Minnesota. Cliffs also produces low-volatile metallurgical coal in the U.S. from its mines located in Alabama and West Virginia. Additionally, Cliffs operates an iron ore mining complex in Western Australia and owns two non-operating iron ore mines in Eastern Canada. Driven by the core values of safety, social, environmental and capital stewardship, our employees endeavor to provide all stakeholders with operating and financial transparency.

We are organized through a global commercial group responsible for sales and delivery of our products and operations groups responsible for the production of the minerals that we market. Our operations are organized according to product category and geographic location: U.S. Iron Ore, Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore.

In the U.S., we currently operate five iron ore mines in Michigan and Minnesota and two metallurgical coal operations located in Alabama and West Virginia. Our Asia Pacific operations consist solely of our Koolyanobbing iron ore mining complex in Western Australia. We also own two iron ore mines in Eastern Canada, although we have currently shutdown one of the mines due to its unsustainable high cost structure and the other mine has ceased all production and transitioned to "care-and-maintenance" mode.

Re-focusing the Company on our Core U.S. Iron Ore Business

Our leadership changed over the past year. Subsequent to our 2014 Annual Meeting of Shareholders, where shareholders elected six new directors to our Board of Directors, including our new Chairman, President and Chief Executive Officer, Lourenco Goncalves, our Board changed substantially. The reconstituted Board of Directors has established a strategy to return the Company to its core strengths.

We have shifted from a diversification based strategy to one that focuses on strengthening our U.S. Iron Ore operations. We are the market-leading iron ore producer in the U.S., supplying differentiated iron ore pellets under long-term contracts, some of which begin to expire in the end of 2016, to the largest U.S. steel producers. Pricing protections and long-term supply, certainty provided by our existing contracts and our low-cost operating profile positions U.S. Iron Ore as our most stable and profitable business. We expect to continue to strengthen U.S. Iron Ore cost operating profile through our operational expertise and disciplined capital allocation policies.

Eastern Canadian Iron Ore

The Cliffs' Wabush Scully mine in Newfoundland and Labrador was idled by the end of the first quarter of 2014 and subsequently began to commence permanent closure in the fourth quarter of 2014. With costs unsustainably high, it was not economically viable to continue running this operation. Approximately 500 employees at both the Wabush Scully mine and the Pointe Noire rail and port operation in Québec were impacted by these actions.

On November 19, 2014, we announced the pursuit of an exit option for our Eastern Canadian Iron Ore operations. With the expansion no longer viable and the Bloom Lake operation remaining unprofitable, we have shifted our focus to executing an exit option for Eastern Canadian Iron Ore operations that minimizes the cash outflows and associated liabilities.

During the fourth quarter of 2014, we disclosed that, despite our cost-cutting progress at our Bloom Lake mine, we concluded that Phase I alone was not economically feasible based on our current operating plans. For the Bloom Lake mine to be profitable, we concluded that Phase II of the Bloom Lake mine must be developed to reduce the overall cash cost of operations. We could only develop Phase II of the Bloom Lake mine if we had been able to secure new equity partners to share in the capital costs, which we estimated to be approximately $1.2 billion. As the equity partners were unable to commit within the short timeframe we required, we determined that the Phase II expansion of the Bloom Lake mine was no longer a viable option for us and we shifted our focus to considering available possibilities and executing an exit option for Eastern Canadian Iron Ore operations that minimized the cash outflows and associated liabilities. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

On January 27, 2015, we announced that Bloom Lake General Partner Limited and certain of its affiliates, including Cliffs Québec Iron Mining ULC (collectively, the "Bloom Lake Group") commenced restructuring proceedings in Montreal, Québec, under the CCAA. The Bloom Lake Group had recently suspended operations, and for several months we were exploring options to sell certain of our Canadian assets, among other initiatives. The decision to seek protection under the CCAA was based on a thorough legal and financial analysis of the options available to the Bloom Lake Group. The Bloom Lake Group was no longer generating any revenues and was not able to meet its obligations as they came due. The initial CCAA order addressed the Bloom Lake Group's immediate liquidity issues and permits the Bloom Lake Group to preserve and protect its assets for the benefit of all stakeholders while restructuring and sale options are explored. As part of the CCAA process, the Court has appointed FTI Consulting Canada Inc. as the Monitor. The Monitor's role in the CCAA process is to monitor the activities of the Bloom Lake Group and provide assistance to the Bloom Lake Group and its stakeholders in respect of the CCAA process.

Business Segments

Our Company's operations are organized and managed according to product category and geographic location: U.S. Iron Ore, Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore. Amapá, which was sold in the fourth quarter of 2013, previously was reported through our Latin American Iron Ore operating segment, which did not meet the criteria for a reportable segment. Additionally, Sonoma, which was sold in the fourth quarter of 2012, previously was reported through our Asia Pacific Coal operating segment, which did not meet the criteria for a reportable segment.

Segment information reflects our strategic business units, which are organized to meet customer requirements and global competition. We have historically evaluated segment performance based on sales margin, defined as revenues less cost of goods sold, and operating expenses identifiable to each segment. Additionally, beginning in the third quarter of 2014, concurrent with the change of a majority of our Board of Directors and appointment of our new Chairman, President and Chief Executive Officer in August 2014, management began to evaluate segment performance based on EBITDA, defined as Net Income (Loss) before interest, income taxes, depreciation, depletion and amortization, and Adjusted EBITDA, defined as EBITDA excluding certain items such as impairment charges, impacts of permanently idled, closed or sold facilities, foreign currency remeasurement, severance and other costs associated with the change in control, litigation judgments and intersegment corporate allocations of SG&A costs. Management uses and believes that investors benefit from referring to these measures in evaluating operating and financial results, as well as in planning, forecasting and analyzing future periods as these financial measures approximate the cash flows associated with the operational earnings. Financial information about our segments, including financial information about geographic areas, is included in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and NOTE 2 - SEGMENT REPORTING included in *Item 8. Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

U.S. Iron Ore

We are a major global iron ore producer, primarily selling production from U.S. Iron Ore to integrated steel companies in the U.S. and Canada. We manage and operate five iron ore mines located in Michigan and Minnesota. The U.S.-based mines currently have an annual rated capacity of 32.9 million tons of iron ore pellet production, representing 56 percent of total U.S. pellet production capacity. Based on our equity ownership in these mines, our share of the annual rated production capacity is currently 25.5 million tons, representing 44 percent of total U.S. annual pellet capacity.

The following chart summarizes the estimated annual pellet production capacity and percentage of total U.S. pellet production capacity for each of the respective iron ore producers as of December 31, 2014:

U.S. Iron Ore Pellet

Annual Rated Capacity Tonnage

	Current Estimated Capacity (Tons in Millions)[1]	Percent of Total U.S. Capacity
All Cliffs' managed mines	32.9	56.3%
Other U.S. mines		
U.S. Steel's Minnesota ore operations		
Minnesota Taconite	14.3	24.6
Keewatin Taconite	5.4	9.2
Total U.S. Steel	19.7	33.8
ArcelorMittal USA Minorca mine	2.8	4.8
Magnetation	3.0	5.1
Total other U.S. mines	25.5	43.7
Total U.S. mines	58.4	100.0%

[1] Tons are long tons (2,240 pounds)

Our U.S. iron ore production generally is sold pursuant to long-term supply agreements with various price adjustment provisions. For the year ended December 31, 2014, we produced a total of 29.7 million tons of iron ore pellets, including 22.4 million tons for our account and 7.3 million tons on behalf of steel company partners of the mines.

We produce various grades of iron ore pellets, including standard and fluxed, for use in our customers' blast furnaces as part of the steelmaking process. The variation in grades results from the specific chemical and metallurgical properties of the ores at each mine and whether or not fluxstone is added in the process. Although the grade or grades of pellets currently delivered to each customer are based on that customer's preferences, which depend in part on the characteristics of the customer's blast furnace operation, in many cases our iron ore pellets can be used interchangeably. Industry demand for the various grades of iron ore pellets depends on each customer's preferences and changes from time to time. In the event that a given mine is operating at full capacity, the terms of most of our pellet supply agreements allow some flexibility in providing our customers iron ore pellets from different mines.

Standard pellets require less processing, are generally the least costly pellets to produce and are called "standard" because no ground fluxstone, such as limestone or dolomite, is added to the iron ore concentrate before turning the concentrate into pellets. In the case of fluxed pellets, fluxstone is added to the concentrate, which produces pellets that can perform at higher productivity levels in the customer's specific blast furnace and will minimize the amount of fluxstone the customer may be required to add to the blast furnace.

Each of our U.S. Iron Ore mines is located near the Great Lakes. The majority of our iron ore pellets are transported via railroads to loading ports for shipment via vessel to steelmakers in North America.

Our U.S. Iron Ore sales are influenced by seasonal factors in the first quarter of the year as shipments and sales are restricted by the Army Corp of Engineers due to closure of the Soo Locks and the Welland Canal on the Great Lakes. During the first quarter, we continue to produce our products, but we cannot ship those products via lake vessel until the conditions on the Great Lakes are navigable, which causes our first quarter inventory levels to rise. Our limited practice of shipping product to ports on the lower Great Lakes or to customers' facilities prior to the transfer of title has somewhat mitigated the seasonal effect on first quarter inventories and sales, as shipment from this point to the customers' operations is not limited by weather-related shipping constraints. At December 31, 2014 and 2013, we had approximately 1.4 million and 1.2 million tons of pellets, respectively, in inventory at lower lakes or customers' facilities.

U.S. Iron Ore Customers

Our U.S. Iron Ore revenues primarily are derived from sales of iron ore pellets to the North American integrated steel industry, consisting of three major customers. Generally, we have multi-year supply agreements with our customers. Sales volume under these agreements largely is dependent on customer requirements, and in many cases, we are the sole supplier of iron ore to the customer. Historically, each agreement has contained a base price that is adjusted annually using one or more adjustment factors. Factors that could result in a price adjustment include spot pricing, measures of general industrial inflation and steel prices. Additionally, certain of our supply agreements have a provision that limits the amount of price increase or decrease in any given year.

During 2014, 2013 and 2012, we sold 21.8 million, 21.3 million and 21.6 million tons of iron ore pellets, respectively, from our share of the production from our U.S. Iron Ore mines. The segment's five largest customers together accounted for a total of 95 percent, 87 percent and 91 percent of U.S. Iron Ore product revenues for the years 2014, 2013 and 2012, respectively. Effective September 16, 2014, AK Steel completed the acquisition of Severstal North America's integrated steelmaking assets located in Dearborn, Michigan. For comparative purposes, we have combined historical data of AK Steel for all periods presented. Refer to *Concentration of Customers* below for additional information regarding our major customers.

Asia Pacific Iron Ore

Our Asia Pacific Iron Ore operations are located in Western Australia and, as of December 31, 2014, consist solely of our wholly owned Koolyanobbing complex. Our 50 percent equity interest in Cockatoo Island also was included in these operations through September 2012, at which time we sold our interest.

The Koolyanobbing operations serve the Asian iron ore markets with direct-shipped fines and lump ore. The lump products are fed directly to blast furnaces, while the fines products are used as sinter feed. The variation in the two export product grades reflects the inherent chemical and physical characteristics of the ore bodies mined as well as the supply requirements of our customers. In September 2010, our Board of Directors approved a capital project at our Koolyanobbing operation, which was completed in the second quarter of 2012, and increased production capacity at Koolyanobbing to approximately 11.0 million metric tons annually. Production in 2014 was 11.4 million metric tons, compared with 11.1 million metric tons in 2013 and 10.7 million metric tons in 2012.

Koolyanobbing is a collective term for the operating deposits at Koolyanobbing, Mount Jackson and Windarling. There are approximately 70 miles separating the three mining areas. Banded iron formations host the mineralization, which is predominately hematite and goethite. Each deposit is characterized with different chemical and physical attributes and, in order to achieve customer product quality, ore in varying quantities from each deposit must be blended together.

Crushing and blending are undertaken at Koolyanobbing, where the crushing and screening plant is located. Once the blended ore has been crushed and screened into a direct lump and fines shipping product, it is transported by rail approximately 360 miles south to the Port of Esperance, via Kalgoorlie, for shipment to our customers in Asia.

On July 31, 2012, we entered into a definitive asset sale agreement with our joint venture partner, HWE Cockatoo Pty Ltd., to sell our beneficial interest in the mining tenements and certain infrastructure of Cockatoo Island to Pluton Resources, which agreement was amended on August 31, 2012. On September 7, 2012, the closing date, Pluton Resources paid a nominal sum of AUD $4.00 and assumed ownership of the assets and responsibility for the environmental rehabilitation obligations and other assumed liabilities not inherently attached to the tenements acquired. The rehabilitation obligations and assumed liabilities that inherently are attached to the tenements were transferred to Pluton Resources upon registration by the Department of Mining and Petroleum denoting Pluton Resources as the tenement holder. Upon final settlement of the sale, which was completed during the second quarter of 2013, we extinguished approximately $18.6 million related to the estimated cost of the rehabilitation. As of December 31, 2013, we had no remaining rehabilitation obligations related to Cockatoo Island. Our production at Cockatoo Island continued until the completion of Stage 3 mining in September 2012. Our portion of Cockatoo's annual production of iron ore premium fines totaled 0.6 million metric tons in 2012. We had no production at Cockatoo Island in 2014 and 2013 due to the sale of our interest in Cockatoo Island during the third quarter of 2012.

Asia Pacific Iron Ore Customers

Asia Pacific Iron Ore's production is under contract with steel companies primarily in China, Japan, Korea and Taiwan. Generally, we have two-year or three-year term supply agreements with steel producers in China and two-year supply agreements in Japan. Pricing for our Asia Pacific Iron Ore customers consists of shorter-term pricing mechanisms of various durations up to one month based on the average of daily spot prices that are generally associated with either unloading each shipment or the time of loading. The existing contracts are due to expire at various dates until March 2015 for our Chinese and Japanese customers which are customarily renewed in conjunction with our customers' fiscal year.

During 2014, 2013 and 2012, we sold 11.5 million, 11.0 million and 11.7 million metric tons of iron ore, respectively, from our Western Australia mines. No Asia Pacific Iron Ore customer comprised more than 10 percent of Cliffs consolidated sales in 2014, 2013 or 2012. Asia Pacific Iron Ore's five largest customers accounted for approximately 38 percent of the segment's sales in 2014, 42 percent in 2013 and 44 percent in 2012.

North American Coal

We own and operate two low-volatile metallurgical coal operations located in Alabama and West Virginia that currently have a rated capacity of 6.5 million tons of production annually as of December 31, 2014. In 2014, we sold a total of 7.4 million tons, compared with 7.3 million tons in 2013 and 6.5 million tons in 2012. In the fourth quarter of 2014, we sold our CLCC assets, which consisted of two high-volatile metallurgical coal mines and a thermal coal mine. The sale was completed on December 31, 2014. Sales tons at the CLCC operations were 2.4 million tons, 2.2 million tons and 2.1 million tons for the years ended December 31, 2014, 2013, and 2012, respectively, and are included in the sales tons disclosed above.

Metallurgical coal generally is sold at a premium over the more prevalently mined thermal coal, which generally is utilized to generate electricity. Metallurgical coal receives this premium because of its coking characteristics, which include contraction and expansion when heated, and volatility, which refers to the loss in mass when coal is heated in the absence of air. Coals with lower volatility are valued more highly than coals with a higher volatility.

Each of our North American coal mines are positioned near rail or barge lines providing access to international shipping ports, which allows for export of our coal production.

North American Coal Customers

North American Coal's metallurgical coal production is sold to global integrated steel and coke producers in Europe, North America, China, India and South America and its thermal coal production was sold to energy companies and distributors in North America and Europe. Approximately 56 percent of our 2014 and 70 percent of our 2013 production was committed under contracts of at least one year. Approximately 45 percent of our projected 2015 sales has been committed and priced. North American contract negotiations are largely completed, and international contract negotiations recently have begun. The remaining tonnage primarily is pending price negotiations with our international customers, which typically is dependent on settlements of Australian pricing for metallurgical coal. International customer contracts typically are negotiated on a fiscal year basis extending from April 1 through March 31, whereas customer contracts in North America typically are negotiated on a calendar year basis extending from January 1 through December 31.

International and North American sales represented 64 percent and 36 percent, respectively, of our North American Coal sales in 2014. This compares with 61 percent and 39 percent, respectively, in 2013 and 66 percent and 34 percent, respectively, in 2012. The segment's five largest customers together accounted for a total of 48 percent, 57 percent and 50 percent of North American Coal product revenues for the years 2014, 2013 and 2012, respectively. Refer to *Concentration of Customers* below for additional information regarding our major customers.

Eastern Canadian Iron Ore

We own two iron ore mines in Eastern Canada, the Bloom Lake mine and the Wabush Scully mine.

As disclosed in the first quarter of 2014, at the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and in November 2014, we began to implement the permanent closure plan for the mine. The idle and ultimate closure was driven by the unsustainable high cost structure. Additionally, we disclosed in November 2014, that we were pursuing exit options for our Bloom Lake mine. As disclosed in January 2015, active production at the Bloom Lake mine has ceased and the mine has transitioned to "care-and-maintenance" mode. Together, the shutdown of the Wabush Scully mine and the cessation of operations at our Bloom Lake mine represent a complete curtailment of our Eastern Canadian Iron Ore operations.

We had been producing a concentrate product at our Bloom Lake operation and, starting in the second half of 2013 through the idle in the first quarter of 2014, we had been producing a concentrate product at our Wabush operation in Eastern Canada. The concentrate products had been marketed toward steel producers, predominately based in Asia, that have sintering capabilities at their steel-making operations. The Bloom Lake concentrate was blended with other sinter fines and materials at high temperatures, creating a direct charge product used in blast furnace operations.

We produced “high manganese” pellets, both in standard and fluxed grades, through June 2013 at our Wabush operation in Eastern Canada, where there is more natural manganese in the crude ore than is found at our other operations. The manganese contained in the iron ore mined at Wabush cannot be removed entirely during the concentrating process.

For the year ended December 31, 2014, we produced a total of 6.2 million metric tons of concentrate.

Both Eastern Canadian Iron Ore mines are located near the St. Lawrence Seaway. Our iron ore products had been transported via railroads to loading ports for shipment via vessel to steelmakers in North America or into the international seaborne market.

Eastern Canadian Iron Ore Customers

Our Eastern Canadian Iron Ore revenues were derived from sales to customers in Asia, Europe and North America. We had various customers for iron ore concentrate and pellets, of which our partner in the Bloom Lake mine is considered a major customer for iron ore concentrate. Pricing for our Eastern Canadian Iron Ore customers consisted primarily of short-term pricing arrangements that were linked to spot market pricing.

During 2014, 2013 and 2012, we sold 7.2 million, 8.6 million and 8.9 million metric tons of iron ore concentrate and pellets, respectively, from our Eastern Canadian Iron Ore mines, with the segment’s five largest customers together accounting for a total of 88 percent, 70 percent and 62 percent of Eastern Canadian Iron Ore product revenues, respectively. Refer to *Concentration of Customers* below for additional information regarding our major customers.

Investments

Amapá

On December 27, 2012, our Board of Directors authorized the sale of our 30 percent interest in Amapá. Per this original agreement, together with Anglo, we were to sell our respective interest in a 100 percent sale transaction to Zamin.

On March 28, 2013, an unknown event caused the Santana port shiploader to collapse into the Amazon River, preventing further ship loading by the mine operator, Anglo. In light of the Santana port shiploader collapse and subsequent evaluation of the effect that this event had on the carrying value of our investment in Amapá as of June 30, 2013, we recorded an impairment charge of $67.6 million in the second quarter of 2013.

On August 28, 2013, we entered into additional agreements to sell our 30 percent interest in Amapá to Anglo for nominal cash consideration, plus the right to certain contingent deferred consideration upon the two-year anniversary of the closing. The closing was conditional on obtaining certain regulatory approvals and the additional agreement provided Anglo with an option to request that we transfer our interest in Amapá directly to Zamin. Anglo exercised this option and the transfer to Zamin closed in the fourth quarter of 2013. Our interest in Amapá previously was reported as our Latin American iron ore operating segment.

Sonoma

On July 10, 2012, we entered into a definitive share and asset sale agreement to sell our 45 percent economic interest in the Sonoma joint venture coal mine located in Queensland, Australia. Upon completion of the transaction on November 12, 2012, we collected approximately AUD $141.0 million in net cash proceeds. The assets sold included our interests in the Sonoma mine along with our ownership of the affiliated wash plant, which were previously reported as our Asia Pacific Coal operating segment. Production and sales totaled approximately 2.8 million and 2.9 million metric tons of coal, respectively, through the sale completion date.

Applied Technology, Research and Development

We have been a leader in iron ore mining and process technology for more than 160 years. We operated some of the first mines on Michigan's Marquette Iron Range and pioneered early open-pit and underground mining methods. From the first application of electrical power in Michigan's underground mines to the use of today's sophisticated computers and global positioning satellite systems, we have been a leader in the application of new technology to the centuries-old business of mineral extraction. Today, our engineering and technical staffs are engaged in full-time technical support of our operations and improvement of existing products.

With state-of-the-art equipment and experienced technical professionals, we remain on the forefront of mining technology. We have an unsurpassed reputation for our pelletizing technology, delivering a world-class quality product to a broad range of sophisticated end users. We are a pioneer in the development of emerging reduction technologies, a leader in the extraction of value from challenging resources and a frontrunner in the implementation of safe and sustainable technology. Our technical experts are dedicated to excellence and deliver superior technical solutions tailored to our customer base.

Concentration of Customers

Based on re-casted information to account for the acquisition of Severstal assets in Dearborn, Michigan by AK Steel in 2014 and 2012, we had two customers that individually accounted for more than 10 percent of our consolidated product revenue. In 2013, we had one customer that individually accounted for more than 10 percent of our consolidated product revenue. Product revenue from those customers represented in the chart below totaled approximately $1.6 billion, $1.5 billion and $1.6 billion of our total consolidated product revenue in 2014, 2013 and 2012, respectively, and is attributable to our U.S. Iron Ore, North American Coal and Eastern Canadian Iron Ore business segments. The following represents sales revenue from each of these customers as a percentage of our total consolidated product revenue, as well as the portion of product sales for U.S. Iron Ore, Eastern Canadian Iron Ore and North American Coal that is attributable to each of these customers in 2014, 2013 and 2012, respectively:

	Percentage of Total Product Revenue[1]		
Customer[2]	**2014**	2013	2012
ArcelorMittal	**22%**	19%	17%
AK Steel[3]	**15%**	9%	12%

[1] Excluding freight and venture partners' cost reimbursements.

[2] Includes subsidiaries.

[3] Effective September 16, 2014, AK Steel completed the acquisition of Severstal North America's integrated steelmaking assets located in Dearborn, Michigan. For comparative purposes, we have combined historical data for all periods presented.

	Percentage of U.S. Iron Ore Product Revenue[1]			Percentage of North American Coal Product Revenue[1]			Percentage of Eastern Canadian Iron Ore Product Revenue[1]		
Customer[2]	**2014**	2013	2012	**2014**	2013	2012	**2014**	2013	2012
ArcelorMittal	**40%**	36%	32%	**7%**	7%	5%	**—%**	10%	9%
AK Steel[3]	**28%**	21%	27%	**—%**	—%	—%	**—%**	—%	—%

[1] Excluding freight and venture partners' cost reimbursements.

[2] Includes subsidiaries.

[3] Effective September 16, 2014, AK Steel completed the acquisition of Severstal North America's integrated steelmaking assets located in Dearborn, Michigan. For comparative purposes, we have combined historical data for all periods presented.

ArcelorMittal USA

Our pellet supply agreements with ArcelorMittal USA are the basis for supplying pellets to ArcelorMittal USA, which is based on customer requirements, except for the Indiana Harbor East facility, which is based on customer excess requirements. The following table outlines the expiration dates for each of the respective agreements:

Facility	Agreement Expiration
Cleveland Works and Indiana Harbor West facilities	December 2016
Indiana Harbor East facility	January 2017

ArcelorMittal USA is a 62.3 percent equity participant in Hibbing, as well as, a 21.0 percent equity partner in Empire with limited rights and obligations.

In 2014, 2013 and 2012, our U.S. Iron Ore pellet sales to ArcelorMittal were 10.2 million, 9.5 million and 8.6 million tons, respectively, and our Eastern Canadian Iron Ore pellet and concentrate sales to ArcelorMittal were none, 0.9 million and 0.7 million metric tons, respectively.

In 2014, 2013 and 2012, our North American Coal sales to ArcelorMittal were 0.5 million, 0.5 million and 0.3 million tons, respectively. We do not have any contracts with ArcelorMittal associated with the remaining North American Coal operations, due to our major contract with ArcelorMittal being transferred to the buyer of our CLCC operations. The sale of CLCC was completed on December 31, 2014.

AK Steel

On September 16, 2014, AK Steel announced an acquisition of Severstal North America's integrated steelmaking assets located in Dearborn, Michigan. We have a long-term relationship to supply iron ore pellets to Severstal's steelmaking assets at that location. Upon consummation of the acquisition, the contract was automatically assigned to AK Steel. The combination of sales pursuant to our preexisting sales agreement with AK Steel and the acquisition of the Dearborn facility with its sales agreement accounts for more than 10 percent of our consolidated product revenue in 2014.

On August 29, 2013 we entered into a new agreement with AK Steel to provide iron ore pellets to AK Steel for use in its Middletown, Ohio and Ashland, Kentucky blast furnace facilities. This contract includes minimum and maximum tonnage requirements for each year between 2014 and 2023.

Under the original agreement entered into with Severstal in 2006, we supply all of the Dearborn, Michigan facility's blast furnace pellet requirements through 2022, subject to specified minimum and maximum requirements in certain years. AK Steel was the successor by merger of this contract and it remains in force. In September 2014, we entered into an amendment to the Dearborn contract with AK Steel to document the 2013 base pricing provisions, among other things, which resulted from an arbitration ruling in May 2014.

In 2014, 2013 and 2012, our U.S. Iron Ore pellet sales to AK Steel and the acquired Dearborn facility were 5.8 million, 4.1 million and 5.7 million tons, respectively.

Competition

Throughout the world, we compete with major and junior mining companies, as well as metals companies, both of which produce steelmaking raw materials, including iron ore and metallurgical coal.

North America

In our U.S. Iron Ore business segment, we primarily sell our product to steel producers with operations in North America. In our now shuttered Eastern Canadian Iron Ore business segment, we primarily had provided our product to the seaborne market for Asian steel producers. We compete directly with steel companies that own interests in iron ore mines, including ArcelorMittal and U.S. Steel, and with major iron ore exporters from Australia and Brazil. Additionally, in the last year, there has been a 38 percent increase in steel imported into the U.S. to 44.3 million tons during the first 11 months of 2014, despite the imposition of new import tariffs last summer. This reduced demand for U.S. produced steel and directly affect the demand for iron ore within North America.

In the coal industry, our North American Coal business segment competes with many metallurgical coal producers of various sizes, including Alpha Natural Resources, Inc., Patriot Coal Corporation, CONSOL Energy Inc., Arch Coal, Inc., Walter Energy, Inc., Peabody Energy Corp. and other producers located in North America and globally.

A number of factors beyond our control affect the markets in which we sell our iron ore and coal. Continued demand for our iron ore and metallurgical coal and the prices obtained by us primarily depend on the consumption patterns of the steel industry in the U.S., China and elsewhere around the world, as well as the availability, location, cost of transportation and competing prices. Coal consumption patterns primarily are affected by demand, environmental and other governmental regulations and technological developments. The most important factors on which we compete are delivered price, coal quality characteristics such as heat value, sulfur, ash, volatile matter and moisture content and reliability of supply. Metallurgical coal, which primarily is used to make coke, a key component in the steelmaking process, generally sells at a premium over thermal coal due to its higher quality and value in the steelmaking process.

Asia Pacific

In our Asia Pacific Iron Ore business segment, we export iron ore products to the Asia Pacific markets, including China, Japan, Korea and Taiwan. In the Asia Pacific marketplace, we compete with major iron ore exporters from Australia, Brazil, South Africa and India. These include Anglo, BHP Billiton, Fortescue Metals Group Ltd., Rio Tinto plc and Vale, among others.

Competition in steelmaking raw materials is predicated upon the usual competitive factors of price, availability of supply, product quality and performance, service and transportation cost to the consumer of the raw materials.

Environment

Our mining and limited exploration activities are subject to various laws and regulations governing the protection of the environment. We conduct our operations in a manner that is protective of public health and the environment and believe our operations are in compliance with applicable laws and regulations in all material respects.

Environmental issues and their management continued to be an important focus at each of our operations throughout 2014. In the construction of our facilities and in their operation, substantial costs have been incurred and will continue to be incurred to avoid undue effect on the environment. Our capital expenditures relating to environmental matters totaled approximately $33 million, $32 million and $31 million, in 2014, 2013 and 2012, respectively. It is estimated that capital expenditures for environmental improvements will total approximately $42 million in 2015. Estimated expenditures in 2015 are comprised of approximately $35 million for projects in our U.S. Iron Ore operations and $7 million in our North American Coal operations for various water treatment, air quality, dust control, selenium management, tailings management and other miscellaneous environmental projects.

Regulatory Developments

Various governmental bodies continually promulgate new or amended laws and regulations that affect our Company, our customers and our suppliers in many areas, including waste discharge and disposal, the classification of materials and products, air and water discharges and many other environmental, health and safety matters. Although we believe that our environmental policies and practices are sound and do not expect that the application of any current laws or regulations reasonably would be expected to result in a material adverse effect on our business or financial condition, we cannot predict the collective adverse impact of the expanding body of laws and regulations.

Specifically, there are several notable proposed or potential rulemakings or activities that could potentially have a material adverse impact on our facilities in the future depending on their ultimate outcome: Climate Change and GHG Regulation, Regional Haze, NO_2 and SO_2 National Ambient Air Quality Standards, Cross State Air Pollution Rule, increased administrative and legislative initiatives related to coal mining activities, Mercury TMDL and Minnesota Taconite Mercury Reduction Strategy's evolving scope of the Clean Water Act and definition of “Waters of the United States” and Selenium Discharge Regulation.

Climate Change and GHG Regulation

With the complexities and uncertainties associated with the U.S. and global navigation of the climate change issue as a whole, one of our significant risks for the future is mandatory carbon legislation. Policymakers are in the design process of carbon regulation at the state, regional, national and international levels. The current regulatory patchwork of carbon compliance schemes presents a challenge for multi-facility entities to identify their near-term risks. Amplifying the uncertainty, the dynamic forward outlook for carbon regulation presents a challenge to large industrial companies to assess the long-term net impacts of carbon compliance costs on their operations. Our exposure on this issue includes both the direct and indirect financial risks associated with the regulation of GHG emissions, as well as potential physical risks associated with climate change. We are continuing to review the physical risks related to climate change utilizing a formal risk management process.

Internationally, mechanisms to reduce emissions are being implemented in various countries, with differing designs and stringency, according to resources, economic structure and politics. We expect that momentum to extend carbon regulation will continue. Australia and Canada are signatories to the Kyoto Protocol. As such, our facilities in each of these countries are impacted by the Kyoto Protocol, but in varying degrees according to the mechanisms each country establishes for compliance and each country's commitment to reducing emissions. Australia and Canada are considered Annex 1 countries, meaning that they are obligated to reduce their emissions under the Protocol. The impact of the Kyoto Protocol on our Canadian operations has diminished with the idling of our Canadian operations.

In Australia, legislation for a carbon tax was passed in July 2012. The direct impact of the carbon tax on our Asia Pacific operations primarily occurs through increased fuel costs. The tax was estimated to result in an increase in direct costs of approximately A$3.5 million per year however following a change of Federal Government in September 2013 the carbon tax was repealed in July 2014.

In the U.S., federal carbon regulation potentially presents a significantly greater impact to our operations. To date, the U.S. has not legislated carbon constraints. In the absence of comprehensive federal carbon legislation, numerous state and regional regulatory initiatives are under development or are becoming effective, thereby creating a disjointed approach to carbon control. On June 25, 2013, President Obama issued a memorandum directing the EPA to develop carbon emission standards for both new and existing power plants under the Clean Air Act's NSPS. On January 8, 2014, the EPA proposed NSPS regulating carbon dioxide emissions from new fossil fuel-fired power plants. On June 2, 2014, EPA proposed the 'Clean Power Plan' which consists of NSPS regulating carbon dioxide from existing power plants at a level 30 percent below 2005 levels by 2030. States must submit Clean Power Plan SIPs by June 2016, though extension waivers will be made available. As proposed these rules would not affect our Silver Bay power generating facility.

As an energy-intensive business, our GHG emissions inventory captures a broad range of emissions sources, such as iron ore furnaces and kilns, coal thermal driers, diesel mining equipment and our wholly owned Silver Bay power generation plant, among others. As such, our most significant regulatory risks are: (1) the costs associated with on-site emissions levels, and (2) the costs passed through to us from power generators and distillate fuel suppliers.

We believe our exposure can be reduced substantially by numerous factors, including currently contemplated regulatory flexibility mechanisms, such as allowance allocations, fixed process emissions exemptions, offsets and international provisions; emissions reduction opportunities, including energy efficiency, biofuels, fuel flexibility, emerging shale gas, coal mine methane offset reduction; and business opportunities associated with new products and technology.

We have worked proactively to develop a comprehensive, enterprise-wide GHG management strategy aimed at considering all significant aspects associated with GHG initiatives to plan effectively for and manage climate change issues, including risks and opportunities as they relate to the environment, stakeholders, including shareholders and the public, legislative and regulatory developments, operations, products and markets.

Regional Haze

In June 2005, the EPA finalized amendments to its regional haze rules. The rules require states establish goals and emission reduction strategies for improving visibility in all Class I national parks and wilderness areas. Among the states with Class I areas are Michigan, Minnesota, Alabama and West Virginia in which we currently own and manage mining operations. The first phase of the regional haze rule (2008-2018) requires analysis and installation of BART on eligible emission sources and incorporation of BART and associated emission limits into SIPs.

Minnesota submitted a regional haze SIP to the EPA on December 30, 2009, and a supplement to the SIP on May 8, 2012. Michigan submitted its regional haze SIP to the EPA on November 5, 2010. During the second quarter of 2012, the EPA also sent information requests to all taconite facilities requesting information on SO_2 and NOx emissions and control technology assessments. On June 12, 2012, the EPA approved revisions to the Minnesota SIP addressing regional haze, but also announced it was deferring action on emission limitations that Minnesota intended to represent BART for taconite facilities. On August 15, 2012, the EPA proposed to deny the Michigan and Minnesota taconite SIP BART determinations and simultaneously proposed a separate FIP for taconite facilities. During the comment period for the proposed FIP rule, the taconite industry and other stakeholders developed detailed comments and shared information to address furnace specific case-by-case circumstances. On January 15, 2013, the EPA signed the final FIP for taconite facilities. The final FIP reflects progress toward a more technically and economically feasible regional haze implementation plan and eliminates the need for investing in additional SO_2 emission control equipment. However, we remain concerned about the technical and economic feasibility of EPA's BART determination for NOx emissions and we filed a petition for review in the 8th Circuit Court and subsequently received a judicial stay of the FIP which enabled us to conduct a detailed engineering analysis to determine the impact of the regulations on each unique iron ore indurating furnace affected by this rule. The results of this analysis enabled us to reach a settlement with EPA which was public noticed in the Federal Register on January 30, 2015. Cost estimates associated with the settlement are reflected in our 5-year capital plan.

NO_2 and SO_2 National Ambient Air Quality Standards

During the first half of 2010, the EPA promulgated rules that require states to use a combination of air quality monitoring and computer modeling to determine areas of each state that are in attainment with new NO_2 and SO_2 standards and those areas that are not in attainment with such standards. During the third quarter of 2011, the EPA issued guidance to the regulated community on conducting refined air quality dispersion modeling and implementing the new NO_2 and SO_2 standards. The NO_2 and SO_2 standards have been challenged by various large industry groups. Accordingly, at this time, we are unable to predict the final impact of these standards. During June 2011, our Minnesota iron ore mining operations received a request from the MPCA to develop modeling and compliance plans and timelines by which each facility would demonstrate compliance with present and proposed NAAQS as well as regional haze requirements outlined in the SIP. Compliance must be achieved by June 30, 2017 according to the initial state orders, although the EPA has indicated that the SO_2 attainment area designation timelines have been extended out to 2020. We continue to assess options by which to achieve compliance and seek alignment between the state and federal expectations.

Cross State Air Pollution Rule

On July 6, 2011, the EPA promulgated the CSAPR, which was intended to be an emissions trading rule for SO_2 and NOx. Northshore's Silver Bay Power Plant would have been subject to this rule, however Minnesota elected to follow EPA guidance allowing CSAPR to stand as BART. CSAPR was vacated by the D.C. Circuit Court during the third quarter of 2012. Late in 2014, the Supreme Court re-instated CSAPR with an effective date of January 1, 2015, re-instating the obligations of this rule for Silver Bay Power. Immediate compliance obligations are being met at this time, with the material obligation being procurement of the first year of emissions allowances by March 2016 for the 2015 operating year. Silver Bay Power is completing the engineering and permitting work to install controls that will limit the cost exposure to the trading market. The allowance pricing market is continuing to fluctuate so price impacts are not yet certain, we anticipate the annual costs will be less than $1 million for 2015 and gradually decreasing to less than $400,000 per year after we complete our emission reduction project in 2017.

Increased Administrative and Legislative Initiatives Related to Coal Mining Activities

Although the focus of significantly increased government activity related to coal mining in the U.S. is generally targeted at eliminating or minimizing the adverse environmental impacts of mountaintop coal mining practices, these initiatives have the potential to impact all types of coal operations, including subsurface longwall mining typically deployed for recovering metallurgical coal. Specifically, the coordinated efforts by various federal agencies to further regulate mountaintop mining have slowed issuance of the permits required by many mining projects in Appalachia. Due to the developing nature of these initiatives and their potential to disrupt even routine mining and water permit practices in the coal industry, we are unable to predict whether these initiatives could have a material effect on our coal operations in the future. We are working closely with our trade associations to monitor the various rulemaking developments in an effort to enable us to develop viable strategies to minimize the financial impact to the business.

Mercury TMDL and Minnesota Taconite Mercury Reduction Strategy

TMDL regulations are contained in the Clean Water Act. As a part of Minnesota's Mercury TMDL Implementation Plan, in cooperation with the MPCA, the taconite industry developed a Taconite Mercury Reduction Strategy and signed a voluntary agreement in 2009 to effectuate its terms. The strategy includes a 75 percent target reduction of mercury air emissions from Minnesota pellet plants collectively by 2025. It recognizes that mercury emission control technology currently does not exist and will be pursued through a research effort. According to the voluntary agreement, any developed technology must meet the “adaptive management criteria” such that the technology must be economically feasible, must not impact pellet quality, and must not cause excessive corrosion in pellet furnaces, associated duct work and existing wet scrubbers on the furnaces.

According to the voluntary agreement, the mines proceeded with medium- and long-term testing of possible technologies. For Cliffs, the requirements in the voluntary agreement applies to the United Taconite and Hibbing facilities. At this time, we are unable to predict the potential impacts of the voluntary Taconite Mercury Reduction Strategy. However, a number of research projects were conducted between 2011 and 2014 as the industry continues to assess options for reduction. While injection of powdered activated carbon into furnace off-gasses for mercury capture in the wet scrubbers showed positive initial results, further testing during 2013 yielded lower overall potential. Alternate technologies are presently being assessed in our ongoing efforts to develop cost effective mercury reduction technologies for our indurating furnaces.

On September 22, 2014, Minnesota promulgated the Mercury Air Emissions Reporting and Reduction Rule mandating mercury air emissions reporting and reduction. The adopted rule expanded applicability to all of our Minnesota operations and requires submitting a mercury reduction plan in 2018 to reduce mercury emissions from all of our Minnesota taconite furnaces by 72 percent by January 2025 and 70 percent reduction from Northshore’s industrial boilers by January 1, 2018. The adopted rule does not include all four Adaptive Management Criteria for evaluating mercury reduction, which were agreed upon in the October 2009 Minnesota’s Mercury TMDL Implementation Plan.

To date, there is currently no proven technology to cost effectively reduce mercury emissions from taconite furnaces to the target level of 72 percent that would meet all four Adaptive Management Criteria. We remain concerned about the technical and economic feasibility to reduce taconite mercury emissions by 72 percent and are conducting detailed engineering analysis to determine the impact of the regulations on each unique iron ore indurating furnace affected by this rule. The results of this analysis will guide further dialog with the MPCA regarding our implementation of the requirements.

Selenium Discharge Regulation

Our North American Coal operations have numerous NPDES permits with either selenium discharge limits or draft permits with selenium limits. We have achieved, or have projects underway that will achieve compliance at all discharges. As such, we do not believe this issue will likely have a material impact to our North American Coal operations.

In Michigan, the MDEQ issued renewed NPDES permits for our Empire mine in December 2011 and for our Tilden mine in 2012. Our Michigan operations at Empire and Tilden are developing compliance strategies to meet new selenium process water limits according to the permit conditions. Empire and Tilden submitted the Selenium Storm Water Management Plan to the MDEQ in December 2011. The Selenium Storm Water Management Plan outlines the activities that will be undertaken to address selenium in storm water discharges from our Michigan operations. The activities include the evaluation of structural controls, non-structural controls, site specific standards, and evaluation of potential impacts to groundwater. Pilot treatment systems have had good initial results and evaluation work continues. An initial estimate for full scale implementation of storm water treatment systems and structural selenium controls at both facilities is approximately $63 million. The results from the evaluation of existing pilot and demonstration-scale work will determine if these structural controls are utilized, or if alternatives must be applied.

Tilden's NPDES permit renewal became effective on November 1, 2012. The permit contains a compliance schedule for selenium with a limit of five µg/l that will be effective as of November 1, 2017, at Tilden's Gribben Tailings Basin outfall. Tilden has initiated a prudent and feasible alternatives analysis to further define solutions and cost estimates. Preliminary testing and engineering for end-of-pipe solutions indicates capital costs are likely to be less than the previously estimated range of $96 million to $146 million. The next phase of engineering and updated cost estimates are scheduled to be concluded in the first half of 2015. In May 2014, the EPA proposed new selenium fish tissue limits and a lower lentic water column concentration criterion which may increase the cost for treatment. We are incorporating this contingency into our planning and treatment technology development.

Definition of "Waters of the United States" Under the Clean Water Act

The EPA and Army Corps of Engineers' proposed rule, "Definition of 'Waters of the United States' Under the Clean Water Act," 79 Fed. Reg. 22188 (Apr. 21, 2014), attempts to add clarity to which waters are jurisdictional under the federal Clean Water Act, and will apply to all Clean Water Act programs, including the Sec. 402 and Sec. 404 permitting programs, Sec. 311 spill prevention program and Sec. 401 state certification process. It is unclear how the federal and state agencies will implement and enforce the final rule, and how the courts will interpret going forward, however, there is substantial cause to be concerned in several areas of the draft. The draft regulation may expand EPA's authority under the Clean Water Act to many traditionally unregulated mine features such as mine pits, pit lakes, on site ditches, water retention structures, and tailings basins creating a new burden on our U.S. facilities. This could further be interpreted to add questionable regulatory authority over the groundwater connections between these features and nearby traditionally navigable waters. We are actively participating in the rulemaking development and assessing the potential impacts to our operations.

For additional information on our environmental matters, refer to *Item 3. Legal Proceedings* and NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS in *Item 8. Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Energy

Electricity

The state of Michigan is a deregulated electricity state, which affords our mines the ability to purchase electrical energy supply from various suppliers while continuing to purchase distribution service from the incumbent utility. As of September 1, 2013, our Tilden and Empire mines in Michigan exercised the right to purchase electrical supply from Integrys Energy Services while continuing to purchase distribution service from Wisconsin Electric Power Company. The pricing of electricity in the deregulated market is based on the Midwestern Independent System Operator Day-Ahead price. Beginning on February 1, 2015, we began purchasing our electricity supply from the Wisconsin Electric Power Company in a regulated fashion as we terminated our contract with Integrys Energy Services. As of February 1, 2015, Wisconsin Electric Power Company is the sole supplier of electric power to our Empire and Tilden mines. Wisconsin Electric Power Company provides 300 megawatts of electricity to Empire and Tilden at rates that are regulated by the MPSC. The Empire and Tilden mines are subject to changes in Wisconsin Electric Power Company's rates, such as base interim rate changes that Wisconsin Electric Power Company may self-implement and final rate changes that are approved by the MPSC in response to applications filed by Wisconsin Electric Power Company. Additionally, Empire and Tilden are subject to frequent changes in Wisconsin Electric Power Company's power supply adjustment factor.

Electric power for the Hibbing and United Taconite mines is supplied by Minnesota Power. On September 16, 2008, the mines finalized agreements with terms from November 1, 2008 through December 31, 2015. The agreements were approved by the MPUC in 2009.

Silver Bay Power Company, a wholly owned subsidiary of ours, with a 115 megawatt power plant, provides the majority of Northshore's electrical energy requirements. Silver Bay Power has an interconnection agreement with Minnesota Power for backup power when excess generation is necessary.

Wabush had a 20-year agreement with Newfoundland Power, which ended December 31, 2014. This agreement allowed for an exchange of water rights in return for the power needs for Wabush's mining operations. Beginning on January 1, 2015, Wabush has a short-term electricity agreement with Newfoundland Hydro Power. The pricing of this agreement is set by the Labrador industrial rate policy. The Wabush pelletizing operation and the Bloom Lake operation in Québec are served by Québec Hydro, which provides power under regulated rates that are set on an annual basis.

The Oak Grove mine and Concord Preparation Plant are supplied electrical power by Alabama Power under a five-year contract that continues in effect until terminated by either party providing written notice to the other in accordance with applicable rules, regulations and rate schedules. Rates of the contract are subject to change during the term of the contract as regulated by the Alabama Public Services Commission.

Electrical power to the Pinnacle Complex is supplied by the Appalachian Power Company under a regulated electrical supply contract. The contract specifies the applicable rate schedule, minimum monthly charge and power capacity furnished. Rates, terms and conditions of the contract are subject to the approval of the Public Service Commission of West Virginia.

Koolyanobbing and its associated satellite mines draw power from independent diesel-fueled power stations and generators. Diesel power generation capacity has been installed at the Koolyanobbing operations.

Process Fuel

We have a long-term contract providing for the transport of natural gas on the Northern Natural Gas Pipeline for our U.S. Iron Ore operations. Our Pinnacle and Oak Grove coal operations also use natural gas, but purchase it through their local regulated utility, Mountaineer Gas and Alabama Gas Co., respectively. At U.S. Iron Ore, the Empire and Tilden mines have the capability of burning natural gas, coal or, to a lesser extent, oil. The Hibbing and Northshore mines have the capability to burn natural gas and oil. The United Taconite mine has the ability to burn coal, natural gas and petroleum coke. Consistent with 2014, we expect during 2015 our U.S. Iron Ore operations will utilize both natural gas and coal to heat furnaces and produce power at our Silver Bay Power facility. At Eastern Canadian Iron Ore, the Wabush mine has the capability to burn bunker fuel, stove and furnace oils and coke breeze and the Bloom Lake mine has the ability to burn stove and furnace oils. Our Eastern Canadian Iron Ore process fuel is primarily supplied by Imperial Oil, a subsidiary of Exxon Mobil, through contracts.

Employees

As of December 31, 2014, we had a total of 5,386 employees.

	2014	2013	2012
U.S. Iron Ore[1]			
Salaried	**658**	700	715
Hourly	**2,705**	2,825	2,976
Total	**3,363**	3,525	3,691
Asia Pacific Iron Ore[2]			
Salaried	**139**	177	216
Hourly	**—**	—	—
Total	**139**	177	216
North American Coal			
Salaried	**237**	379	406
Hourly	**821**	1,207	1,210
Total	**1,058**	1,586	1,616
Eastern Canadian Iron Ore[2]			
Salaried	**231**	407	459
Hourly	**320**	973	956
Total	**551**	1,380	1,415
Corporate & Support Services			
Salaried	**275**	470	625
Hourly	**—**	—	26
Total	**275**	470	651
Total	**5,386**	7,138	7,589

[1] Includes our employees and the employees of the U.S. Iron Ore joint ventures.

[2] Excludes contracted mining employees

As of December 31, 2014, approximately 85.0 percent of our U.S. Iron Ore hourly employees, approximately 100.0 percent of our Eastern Canadian Iron Ore hourly employees and approximately 100.0 percent of our North American Coal hourly employees were covered by collective bargaining agreements.

Hourly employees at our Michigan and Minnesota iron ore mining operations, excluding Northshore, are represented by the USW. The labor agreements that cover approximately 2,200 USW-represented employees at our Empire and Tilden mines in Michigan, and our United Taconite and Hibbing mines in Minnesota are effective September 1, 2012 through September 30, 2015. Employees at our Northshore operations are not represented by a union and are not, therefore, covered by a collective bargaining agreement.

Hourly employees at our Eastern Canadian Iron Ore operations also are represented by the USW. The labor agreement with the USW that covers our represented employees at Bloom Lake is effective from September 1, 2013 through August 31, 2016. The labor agreement with the USW that covers our represented employees at our Pointe Noire facility, is effective from March 1, 2014 through February 28, 2020.

Hourly employees at our Lake Superior and Ishpeming railroads are represented by seven unions covering approximately 105 employees. The labor agreements that cover these employees reopened for bargaining on December 31, 2014 and we are actively bargaining with the seven unions that represent them for successor agreements. These employees negotiate under the Railway Labor Act, which provides that labor agreements remain in force until replaced by a successor agreement. Under the Railway Labor Act work stoppages cannot occur until the parties have engaged in substantial negotiations, have mediated any disputes and have received a release from the National Mediation Board.

Hourly production and maintenance employees at our Pinnacle Complex and Oak Grove mines are represented by the UMWA. Our labor agreements with the UMWA at those locations are effective July 1, 2011 through December 31, 2016. Those agreements are identical in all material respects to the NBCWA of 2011 between the UMWA and the National Bituminous Coal Operators' Association.

Employees at our Asia Pacific Iron Ore, Corporate and Support Services are not represented by a union and are not, therefore, covered by collective bargaining agreements.

Safety

Safety is our primary core value as we continue towards a zero incident culture at our operating facilities. We continuously monitor, track and measure our safety performance and make changes where necessary. Best practices are shared globally to ensure each mine site can embed our policies, procedures and learnings for enhanced workplace safety. We measure progress toward achieving our objective against regularly established benchmarks, including measuring company-wide TRIR. During 2014, our TRIR (including contractors) was 2.02 per 200,000 man-hours worked.

Refer to *Exhibit 95 Mine Safety Disclosures (filed herewith)* for mine safety information required in accordance with Section 1503(a) of the Dodd-Frank Act.

Available Information

Our headquarters are located at 200 Public Square, Cleveland, Ohio 44114-2315, and our telephone number is (216) 694-5700. We are subject to the reporting requirements of the Exchange Act and its rules and regulations. The Exchange Act requires us to file reports, proxy statements and other information with the SEC. Copies of these reports and other information can be read and copied at:

SEC Public Reference Room
100 F Street N.E.
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's home page at *www.sec.gov.*

We use our website, *www.cliffsnaturalresources.com*, as a channel for routine distribution of important information, including news releases, investor presentations and financial information. We also make available, free of charge on our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file these documents with, or furnish them to, the SEC. In addition, our website allows investors and other interested persons to sign up to receive automatic email alerts when we post news releases and financial information on our website.

We also make available, free of charge on our website, the charters of the Audit Committee, Governance and Nominating Committee and Compensation and Organization Committee as well as the Corporate Governance Guidelines and the Code of Business Conduct & Ethics adopted by our Board of Directors. These documents are available through our investor relations page on our website at *ir.cliffsnaturalresources.com*. The SEC filings are available by selecting "Financial Information" and then "SEC Filings," and material and corporate governance is available by selecting "Corporate Governance" for the Board Committee Charters, operational governance guidelines and the Code of Business Conduct and Ethics.

References to our website or the SEC's website do not constitute incorporation by reference of the information contained on such websites, and such information is not part of this Annual Report on Form 10-K.

Copies of the above-referenced information are also available, free of charge, by calling (216) 694-5700 or upon written request to:

Cliffs Natural Resources Inc.
Investor Relations
200 Public Square
Cleveland, OH 44114-2315

EXECUTIVE OFFICERS OF THE REGISTRANT

Following are the names, ages and positions of the executive officers of the Company as of February 25, 2015. Unless otherwise noted, all positions indicated are or were held with Cliffs Natural Resources Inc.

Name	Age	Position(s) Held
Lourenco Goncalves	57	Chairman of the Board, President and Chief Executive Officer (August 2014 - present); Chairman, President and Chief Executive Officer of Metals USA Holdings Corp., an American manufacturer and processor of steel and other metals (May 2006 - April 2013); President, Chief Executive Officer and a director of Metals USA Inc. (February 2003 - April 2006).
Terry G. Fedor	50	Executive Vice President, United States Iron Ore (January 2014 - present); Vice President (February 2011 - January 2014); Vice President and General Manager (March 2005 - February 2011) of ArcelorMittal Cleveland, a fully integrated steelmaking facility.
James D. Graham	49	Executive Vice President (November 2014 - present); Chief Legal Officer (March 2013 - present); Secretary (March 2014 - present); Vice President (January 2011 - October 2014); General Counsel - Global Operations (January 2011 - March 2013); Assistant General Counsel (April 2007 - December 2010).
Maurice D. Harapiak	53	Executive Vice President, Human Resources (June 2014 - present); Regional Director, Human Resources - Barrick Gold of North America, a gold mining company (November 2011 - June 2014); Senior Director, Human Resources, Capital Projects - Barrick Gold Corporation, a gold mining company (November 2007 - November 2011).
Terrence R. Mee	45	Executive Vice President, Global Commercial (October 2014 - present); Vice President, Global Iron Ore Sales (February 2014 - October 2014); Senior Vice President, Global Iron Ore Sales (March 2012 - February 2014); Senior Vice President, Global Iron Ore & Metallic Sales (January 2011 - March 2012); Vice President, Sales and Transportation (September 2007 - January 2011).
Terrance M. Paradie	46	Executive Vice President (March 2013 - present); Chief Financial Officer (October 2012 - present); Treasurer (September 2014 - February 2015); Senior Vice President (January 2011 - March 2013); Assistant General Manager - Michigan Operations (March 2012 - September 2012); Corporate Controller (October 2007 - March 2012); Chief Accounting Officer (July 2009 - March 2012); Vice President (October 2007 - January 2011).
Clifford T. Smith	55	Executive Vice President, Seaborne Iron Ore (January 2014 − present); Executive Vice President, Global Operations (July 2013 - January 2014); Executive Vice President, Global Business Development (March 2013 - July 2013); Senior Vice President, Global Business Development (January 2011 - March 2013); Vice President, Latin American Operations(September 2009 - January 2011).
P. Kelly Tompkins	58	Executive Vice President, Business Development (October 2014 - present); Executive Vice President, External Affairs and President, Global Commercial (November 2013 - October 2014); Chief Administrative Officer (July 2013 - November 2013); Executive Vice President, Legal, Government Affairs and Sustainability (May 2010 - July 2013). Chief Legal Officer (January 2011 - January 2013); President, Cliffs China (October 2012 - November 2013); Executive vice president and chief financial officer of RPM International Inc., a specialty coatings and sealants manufacturer (June 2008 - May 2010).
David L. Webb	57	Executive Vice President (January 2014 - present); Senior Vice President, Global Coal (July 2011 - January 2014); Vice president and general manager of Mid-West Operations for Patriot Coal Corp., a producer of thermal and metallurgical coal (2007 - June 2011).
Timothy K. Flanagan	37	Vice President, Corporate Controller & Chief Accounting Officer (March 2012 - present); Assistant Controller (February 2010 - March 2012); and Director, Internal Audit (April 2008 - February 2010).

All executive officers serve at the pleasure of the Board. There are no arrangements or understandings between any executive officer and any other person pursuant to which an executive officer was selected to be an officer of the Company. There is no family relationship between any of our executive officers, or between any of our executive officers and any of our directors.

Item 1A. *Risk Factors*

An investment in our common shares or other securities is subject to risk inherent to our business and our industry. Described below are certain risks and uncertainties, the occurrences of which could have a material adverse effect on us. Before making an investment decision, you should consider carefully all of the risks described below together with the other information included in this report. The risks and uncertainties described below are not the only ones we face. Although we have significant risk management policies, practices and procedures aimed to mitigate these risks, uncertainties may nevertheless impair our business operation. This report is qualified in its entirety by these factors.

Our ERM function provides a framework for management's consideration of risk when making strategic, financial, operational and/or project decisions. The framework is based on ISO 31000, an internationally recognized risk management standard. Management uses a consistent methodology to identify and assess risks, determine and implement risk mitigation actions, and monitor and communicate information about the Company's key risks. Through these processes, we have identified six categories of risk that we are subject to: (I) economic and market, (II) regulatory, (III) financial, (IV) operational, (V) development and sustainability and (VI) human capital. The following risk factors are presented according to these key risk categories.

I. ECONOMIC AND MARKET RISKS

The volatility of commodity prices, namely iron ore and coal, affects our ability to generate revenue, maintain stable cash flow and to fund our operations, including growth and expansion projects.

As a mining company, our profitability is dependent upon the price of the commodities that we sell to our customers, namely iron ore and coal. The prices of iron ore and coal have fluctuated historically and are affected by factors beyond our control, including: steel inventories; international demand for raw materials used in steel production; rates of global economic growth, especially construction and infrastructure activity that requires significant amounts of steel; recession or reduced economic activity in the U.S., China, India, Europe and other industrialized or developing countries; uncertainties or weaknesses in global economic conditions such as the sovereign debt crisis in Europe and the U.S. debt ceiling; changes in production capacity of other iron ore and metallurgical coal suppliers, especially as additional supplies come online or where there is a significant increase in imports of steel into the U.S. or Europe; weather-related disruptions or natural disasters that may impact the global supply of iron ore and metallurgical coal; and the proximity, capacity and cost of infrastructure and transportation.

Our earnings, therefore, may fluctuate with the prices of the commodities we sell. To the extent that the prices of these commodities significantly decline for an extended period of time, we may have to revise our operating plans, including curtailing production, reducing operating costs and capital expenditures and discontinuing certain exploration and development programs. We also may have to take impairments on our assets, inventory and/or goodwill. Sustained lower prices also could cause us to reduce existing reserves if certain reserves no longer can be economically mined or processed at prevailing prices. We may be unable to decrease our costs in an amount sufficient to offset reductions in revenues and may incur losses. These events could have a material adverse effect on us.

Uncertainty or weaknesses in global economic conditions and reduced economic growth in China could affect adversely our business.

The world prices of iron ore and coal are influenced strongly by international demand and global economic conditions. Uncertainties or weaknesses in global economic conditions, including the ongoing sovereign debt crisis in Europe, could affect adversely our business and negatively impact our financial results. In addition, the current level of international demand for raw materials used in steel production is driven largely by industrial growth in China. If the economic growth rate in China slows for an extended period of time, or if another global economic downturn were to occur, we would likely see decreased demand for our products and decreased prices, resulting in lower revenue levels and decreasing margins. We are not able to predict whether the global economic conditions will continue or worsen and the impact it may have on our operations and the industry in general going forward.

Capacity expansions within the mining industry could lead to lower global iron ore and coal prices, impacting our profitability.

Continued global growth of iron ore and coal demand, particularly from China, resulted in iron ore and metallurgical coal suppliers expanding their production capacity. The supply of both iron ore and metallurgical coal has increased due to these expansions. In the current iron ore and coal markets, an increase in our competitors' capacity could result in excess supply of these commodities, resulting in downward pressure on prices. This decrease in pricing would adversely impact our sales, margins and profitability.

If steelmakers use methods other than blast furnace production to produce steel or use other inputs, or if their blast furnaces shut down or otherwise reduce production, the demand for our iron ore and coal products may decrease.

Demand for our iron ore and coal products is determined by the operating rates for the blast furnaces of steel companies. However, not all finished steel is produced by blast furnaces; finished steel also may be produced by other methods that use scrap steel, pig iron, hot briquetted iron and direct reduced iron. North American steel producers also can produce steel using imported iron ore or semi-finished steel products, which eliminates the need for domestic iron ore. Future environmental restrictions on the use of blast furnaces also may reduce our customers' use of their blast furnaces. Maintenance of blast furnaces may require substantial capital expenditures. Our customers may choose not to maintain, or may not have the resources necessary to maintain, their blast furnaces. If our customers use methods to produce steel that do not use iron ore and coal products, demand for our iron ore and coal products will decrease, which would affect adversely our sales, margins and profitability.

Due to economic conditions and volatility in commodity prices, our customers could approach us about modification of their supply agreements. Modifications to our sales agreements potentially could be made due to such volatility, which could impact adversely our sales, margins, profitability and cash flows.

Although we have contractual commitments for sales in our U.S. Iron Ore and Eastern Canadian Iron Ore business for 2015 and beyond, the uncertainty in global economic conditions may adversely impact the ability of our customers to meet their obligations. As a result of such market volatility, our customers could approach us about modifying their supply agreements. Any modifications to our sales agreements could adversely impact our sales, margins, profitability and cash flows. These discussions or potential actions by our customers could also result in contractual disputes, which could ultimately require arbitration or litigation, either of which could be time consuming and costly. Any such disputes could impact adversely our sales, margins, profitability and cash flows.

II. REGULATORY RISKS

We are subject to extensive governmental regulation, which imposes, and will continue to impose, potential significant costs and liabilities on us. Future laws and regulation or the manner in which they are interpreted and enforced could increase these costs and liabilities or limit our ability to produce iron ore and coal products.

New laws or regulations, or changes in existing laws or regulations, or the manner of their interpretation or enforcement, could increase our cost of doing business and restrict our ability to operate our business or execute our strategies. This includes, among other things, the possible taxation under U.S. law of certain income from foreign operations, compliance costs and enforcement under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and costs associated with complying with the Patient Protection and Affordable Care Act and the Healthcare and Education Reconciliation Act of 2010 and the regulations promulgated thereunder. In addition, we are subject to various federal, provincial, state and local laws and regulations in each jurisdiction in which we have operations for employee health and safety, air quality, water pollution, plant, wetlands and wildlife protection, reclamation and restoration of mining properties, the discharge of materials into the environment, the effects that mining has on groundwater quality and availability, and related matters. Numerous governmental permits and approvals are required for our operations. We cannot be certain that we have been or will be at all times in complete compliance with such laws, regulations, permits and approvals. If we violate or fail to comply with these laws, regulations, permits or approvals, we could be fined or otherwise sanctioned by regulators. Compliance with the complex and extensive laws and regulations that we are subject to imposes substantial costs, which we expect will continue to increase over time because of increased regulatory oversight, adoption of increasingly stringent environmental standards, and increased demand for remediation services leading to shortages of equipment, supplies and labor, as well as other factors.

Specifically, there are several notable proposed or recently enacted rulemakings or activities to which we would be subject or that would further regulate and/or tax our customers, namely the North American integrated steel producer customers that may also require us or our customers to reduce or otherwise change operations significantly or incur significant additional costs, depending on their ultimate outcome. These emerging or recently enacted rules and regulations include: numerous air regulations, such as climate change and greenhouse gas regulation, regional haze regulation, NAAQS including but not limited to those for NO_2 and SO_2, the CSAPR; increased administrative and legislative initiatives related to coal mining activities; Minnesota's Mercury Air Emissions Reporting and Reduction Rule, Mercury Total Maximum Daily Load requirements and Taconite Mercury Reduction Strategy; selenium discharge regulation; expansion of federal jurisdictional authority to regulate groundwater, and various other water quality regulations. Such new or more stringent legislation, regulations, interpretations or orders, when enacted, could have a material adverse effect on our business, results of operations, financial condition or profitability.

Although the numerous regulations, operating permits and our management systems mitigate potential impacts to the environment, our operations may inadvertently impact the environment or cause exposure to hazardous substances, which could result in material liabilities to us.

Our operations currently use and have used in the past, hazardous materials, and, from time to time, we have generated solid and hazardous waste. We may be subject to claims under federal, provincial, state and local laws and regulations for toxic torts, natural resource damages and other damages as well as for the investigation and clean-up of soil, surface water, sediments, groundwater and other natural resources. Such claims for damages and reclamation may arise out of current or former conditions at sites that we own, lease or operate currently, as well as sites that we or our acquired companies have owned, leased or operated, and at contaminated sites that have always been owned, leased or operated by our joint-venture partners. Our liability for such claims may be joint and several, so that we may be held responsible for more than our share of the contamination or other damages, or even for the entire share. We are subject to a variety of potential liability exposures arising, or otherwise involved in remediation activities, at certain sites. In addition to currently owned, leased or operated sites, these include sites where we formerly conducted iron ore and/or coal mining or processing or other operations, inactive sites that we currently own, predecessor sites, acquired sites, leased land sites and third-party waste disposal sites. We may be named as a responsible party at other sites in the future and we cannot be certain that the costs associated with these additional sites will not be material.

We also could be held liable for any and all consequences arising out of human exposure to hazardous substances used, released, or disposed of by us. In particular, we and certain of our subsidiaries are involved in various claims relating to the exposure of asbestos and silica to seamen who sailed until the mid-1980s on the Great Lakes vessels formerly owned and operated by certain of our subsidiaries. The full impact of these claims continues to be unknown. Uncertainty also remains as to whether insurance coverage will be sufficient and whether other defendants named in these claims will be able to fund any costs arising out of these claims.

Environmental impacts as a result of our operations, including exposures to hazardous substances or wastes associated with our operations, could result in costs and liabilities that could materially and adversely affect our margins, cash flow or profitability.

We may be unable to obtain and renew permits necessary for our operations, which could reduce our production, cash flows and profitability. We also could face significant permit and approval requirements that could delay our commencement or continuation of exploration and production operations, which, in turn, could affect materially our cash flows and profitability.

Prior to commencement of mining, we must submit to and obtain approval from the appropriate regulatory authority of plans showing where and how mining and reclamation operations are to occur. These plans must include information such as the location of mining areas, stockpiles, surface waters, haul roads, tailings basins and drainage from mining operations. All requirements imposed by any such authority may be costly and time-consuming and may delay commencement or continuation of exploration or production operations.

Mining companies must obtain numerous permits that impose strict conditions on various environmental and safety matters in connection with coal and iron ore mining. These include permits issued by various federal, state and provincial agencies and regulatory bodies. The permitting rules are complex and may change over time, making our ability to comply with the applicable requirements more difficult or impractical and costly, possibly precluding the continuance of ongoing operations or the development of future mining operations. The public, including special interest groups and individuals, have certain rights under various statutes to comment upon, submit objections to, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge such permits or mining activities. Accordingly, required permits may not be issued or renewed in a timely fashion (or at all), or permits issued or renewed may be conditioned in a manner that may restrict our ability to efficiently conduct our mining activities. Such inefficiencies could reduce our production, cash flows and profitability.

Our North American coal operations are subject to increasing levels of regulatory oversight making it more difficult to obtain and maintain necessary operating permits.

The current political and regulatory environment in the U.S. is disposed negatively toward coal mining, with particular focus on certain categories of mining such as mountaintop removal techniques. Therefore, our coal mining operations in North America are subject to increasing levels of scrutiny. Although we do not engage in mountaintop mining, emerging U.S. regulatory efforts targeted at eliminating or minimizing the adverse environmental impacts of mountaintop and underground coal mining practices have impacted all types of coal operations. These regulatory initiatives could cause material impacts, delays, or disruptions to our coal operations due to our inability to obtain new or renewed permits or modifications to existing permits.

Underground mining is subject to increased safety regulation and may require us to incur additional compliance costs.

Recent mine disasters have led to the enactment and consideration of significant new federal and state laws and regulations relating to safety in underground coal mines. These laws and regulations include requirements for constructing and maintaining caches for the storage of additional self-contained self-rescuers throughout underground mines; installing rescue chambers in underground mines; continuous tracking of and communication with personnel in the mines; installing cable lifelines from the mine portal to all sections of the mine to assist in emergency escape; submission and approval of emergency response plans; and new and additional safety training. Additionally, new requirements for the prompt reporting of accidents and increased fines and penalties for violations of these and existing regulations have been implemented. These new laws and regulations may cause us to incur substantial additional costs, which may impact adversely our results of operations, financial condition or profitability.

III. FINANCIAL RISKS

A substantial majority of our sales are made under term supply agreements to a limited number of customers that contain price-adjustment clauses that could affect adversely the stability and profitability of our operations.

In 2014, a majority of our U.S. Iron Ore, North American Coal and Eastern Canadian Iron Ore sales, and almost all of our Asia Pacific Iron Ore sales were made under term supply agreements to a limited number of customers. In 2014, five customers together accounted for approximately 72 percent of our U.S. Iron Ore, Eastern Canadian Iron Ore, and North American Coal product sales revenues (representing more than 57 percent of our consolidated revenues). For North American Coal, prices typically are agreed upon for a 12-month period and typically are adjusted each year. Our Asia Pacific Iron Ore contracts are due to expire at various dates until March 2015 for our Chinese and Japanese customers. As of December 31, 2014, our U.S. Iron Ore contracts had an average remaining duration of four years. We cannot be certain that we will be able to renew or replace existing term supply agreements at approximately the same volume levels, prices or with similar profit margins when they expire. A loss of sales to our existing customers could have a substantial negative impact on our sales, margins and profitability.

Our U.S. Iron Ore term supply agreements contain a number of price adjustment provisions, including price escalators and adjustments based on general industrial inflation rates, the price of steel and the international price of iron ore pellets, among other factors, that are out of our control and that may adjust the prices under those agreements generally on an annual basis.

Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and the market price of our securities.

Credit rating agencies could downgrade our ratings either due to factors specific to our business, a prolonged cyclical downturn in the mining industry, or macroeconomic trends (such as global or regional recessions) and trends in credit and capital markets more generally. Any decline in our credit ratings would likely result in an increase to our cost of financing, including resulting in an increase of the interest rate applicable on these senior notes, limit our access to the capital markets, significantly harm our financial condition and results of operations, hinder our ability to refinance existing indebtedness on acceptable terms and have an adverse effect on the market price of our securities.

We rely on our joint venture partners in our mines to meet their payment obligations and we are subject to risks involving the acts or omissions of our joint venture partners when we are not the manager of the joint venture.

We co-own and manage three of our five U.S. Iron Ore mines and one of our two Eastern Canadian Iron Ore mines with various joint venture partners that are integrated steel producers or their subsidiaries, including ArcelorMittal, U.S. Steel Canada Inc., and WISCO. We rely on our joint venture partners to make their required capital contributions and to pay for their share of the iron ore that each joint venture produces. Our U.S. Iron Ore and Eastern Canadian Iron Ore joint venture partners are also our customers. If one or more of our joint venture partners fail to perform their obligations, the remaining joint venture partners, including ourselves, may be required to assume additional material obligations, including significant capital contribution, pension and postretirement health and life insurance benefit obligations. The premature closure of a mine due to the failure of a joint venture partner to perform its obligations could result in significant fixed mine-closure costs, including severance, employment legacy costs and other employment costs; reclamation and other environmental costs; and the costs of terminating long-term obligations, including energy and transportation contracts and equipment leases. For example, with respect to the Bloom Lake mine, CQIM's joint venture partner did not fully participate in calls for capital contributions, resulting in additional financial burden for CQIM. This additional burden was one of multiple factors in CQIM's decision to file for a stay under CCAA.

We cannot control the actions of our joint venture partners, especially when we have a minority interest in a joint venture. Further, in spite of performing customary due diligence prior to entering into a joint venture, we cannot guarantee full disclosure of prior acts or omissions of the sellers or those with whom we enter into joint ventures. Such risks could have a material adverse effect on the business, results of operations or financial condition of our joint venture interests.

We may not be able to recover the carrying value when divesting assets or businesses.

When we divest assets or businesses, we may not be able to recover the carrying value of these assets, which potentially could have a material adverse impact on our results of operations, shareholders' equity and capital structure. Also, if we were to sell a percentage of a business, there are inherent risks of a joint venture relationship as noted in the risk factor above.

Our ability to collect payments from our customers depends on their creditworthiness.

Our ability to receive payment for products sold and delivered to our customers depends on the creditworthiness of our customers. With respect to our Asia Pacific business unit, payment typically is received as the products are shipped and much of the product is secured by bank letters of credit. By contrast, in our U.S. Iron Ore business unit, generally, we deliver iron ore products to our customers' facilities in advance of payment for those products. Under this practice for our U.S. customers, title and risk of loss with respect to U.S. Iron Ore products does not pass to the customer until payment for the pellets is received; however, there is typically a period of time in which pellets, for which we have reserved title, are within our customers' control. Where we have identified credit risk with certain customers, we have put in place alternate payment terms from time to time.

Consolidations in some of the industries in which our customers operate have created larger customers. These factors have caused some customers to be less profitable and increased our exposure to credit risk. Customers in other countries may be subject to other pressures and uncertainties that may affect their ability to pay, including trade barriers, exchange controls, and local, economic and political conditions. Downturns in the economy and disruptions in the global financial markets in recent years have affected the creditworthiness of our customers from time to time. Some of our customers are highly leveraged. If economic conditions worsen or prolonged global, national or regional economic recession conditions return, it is likely to impact significantly the creditworthiness of our customers and could, in turn, increase the risk we bear on payment default for the credit we provide to our customers and could limit our ability to collect receivables. Failure to receive payment from our customers for products that we have delivered could affect adversely our results of operations, financial condition and liquidity.

Our operating expenses could increase significantly if the price of electrical power, fuel or other energy sources increases.

Our mining operations require significant use of energy. Operating expenses at all of our mining locations are sensitive to changes in electricity prices and fuel prices, including diesel fuel and natural gas prices. These items make up approximately 25 to 30 percent in the aggregate of our operating costs in our U.S. Iron Ore locations, for example. Prices for electricity, natural gas and fuel oils can fluctuate widely with availability and demand levels from other users. During periods of peak usage, supplies of energy may be curtailed and we may not be able to purchase them at historical rates. A disruption in the transmission of energy, inadequate energy transmission infrastructure, or the termination of any of our energy supply contracts could interrupt our energy supply and affect adversely our operations. While we have some long-term contracts with electrical suppliers, we are exposed to fluctuations in energy costs that can affect our production costs. As an example, our mines in Minnesota are subject to changes in Minnesota Power's rates, such as rate changes that are reviewed and approved by the state public utilities commission in response to an application filed by Minnesota Power. We also enter into market-based pricing supply contracts for natural gas and diesel fuel for use in our operations. Those contracts expose us to price increases in energy costs, which could cause our profitability to decrease significantly.

In addition, U.S. public utilities are expected to pass through additional capital and operating cost increases related to new or pending U.S. environmental regulations that are expected to require significant capital investment and use of cleaner fuels in the future and which may impact U.S. coal-fired generation capacity. We are estimating that power rates for our electricity-intensive operations could increase above 2014 levels by up to 13 percent by 2019, representing an increase of approximately $8 per MWh by 2019 for our U.S. operations. These environmental regulations are also forcing the future closure of the Presque Isle Power Plant in the Upper Peninsula of Michigan which supplies electricity to our mines in Michigan.

The availability of capital may be limited.

We may need to access the capital markets to finance ongoing operations, any development of existing mining properties and our other cash requirements. Our substantial indebtedness could make it more difficult for us to borrow money in the future and may reduce the amount of money available to finance our operations and other business activities and may have other detrimental consequences, including the following: requiring us to dedicate a substantial portion of our cash flow from operations to the payment of principal, premium, if any, and interest on our debt, which will reduce funds available for other purposes; exposing us to the risk of increased interest costs if the underlying interest rates rise on our existing credit facility or other variable rate debt; making it more difficult to obtain surety bonds, letters of credit or other financing, particularly during periods in which credit markets are weak; causing a decline in our credit ratings; limiting our ability to compete with companies that are not as leveraged and that may be better positioned to withstand economic downturns; and limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we compete and general economic and market conditions. If we further increase our indebtedness, the related risks that we now face, including those described above, could intensify. We cannot predict the general availability or accessibility of capital to finance such projects in the future.

We are subject to a variety of financial market risks.

Financial market risks include those caused by changes in the value of investments, changes in commodity prices, interest rates and foreign currency exchange rates. We have established policies and procedures to manage such risks; however, certain risks are beyond our control and our efforts to mitigate such risks may not be effective. These factors could have a material adverse effect on our results of operations.

Our existing and future indebtedness may limit cash flow available to invest in the ongoing needs of our business, which could prevent us from fulfilling our obligations under our senior notes.

As of December 31, 2014, we had an aggregate principal amount of $2,995.8 million of total debt, $308 million of which was secured (excluding outstanding letters of credit), and $290.9 million of cash on our balance sheet. Our level of indebtedness could have important consequences to you. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing in the future to enable us to react to changes in our business;
- place us at a competitive disadvantage compared to businesses in our industry that have less indebtedness; or
- limit our ability to pay dividends on or purchase or redeem our capital stock.

Our substantial level of indebtedness could limit our ability to obtain additional financing on acceptable terms or at all for working capital, capital expenditures and general corporate purposes. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required to refinance all or a portion of our existing debt. However, we may not be able to obtain any such new or additional debt on favorable terms or at all.

Additionally, any failure to comply with covenants in the instruments governing our debt could result in an event of default which, if not cured or waived, would have a material adverse effect on us.

We may not be able to generate sufficient cash to service all of our debt, and may be forced to take other actions to satisfy our obligations under our debt, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations, including our senior notes, and to fund planned capital expenditures and expansion efforts and any strategic alliances or acquisitions we may make in the future depends on our ability to generate cash in the future and our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our debt, including our senior notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our debt, including our senior notes. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. These measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. Further, we may need to refinance all or a portion of our debt on or before maturity, and we cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

We are subject to risks relating to the CCAA filing by the Bloom Lake Group.

The Bloom Lake Group commenced the CCAA process in January 2015 to address the Bloom Lake Group's immediate liquidity issues and to preserve and protect its assets for the benefit of all stakeholders while restructuring and/or sale options are explored. Certain obligations of the Bloom Lake Group, including equipment loans, were guaranteed by Cliffs. It is possible that (a) as part of the CCAA process (i) claims may be asserted by or on behalf of the Bloom Lake Group against non-debtor affiliates of the Bloom Lake Group and/or (ii) claims of non-debtor affiliates against the Bloom Lake Group may be challenged and (b) creditors of the Bloom Lake Group may assert claims against non-debtor affiliates of the Bloom Lake Group under the guarantees discussed above. While we anticipate the restructuring and/or sale of the Bloom Lake Group assets may mitigate these risks, to the extent that any claims are successful or the Bloom Lake Group's obligations guaranteed by Cliffs are not satisfied in full by any such restructuring or sale, Cliffs could be held liable for certain obligations.

IV. OPERATIONAL RISKS

Mine closures entail substantial costs. If we close one or more of our mines, our results of operations and financial condition would likely be affected adversely.

If we close any of our mines, our revenues would be reduced unless we were able to increase production at our other mines, which may not be possible. The closure of a mining operation involves significant fixed closure costs, including accelerated employment legacy costs, severance-related obligations, reclamation and other environmental costs, and the costs of terminating long-term obligations, including customer, energy and transportation contracts and equipment leases. We base our assumptions regarding the life of our mines on detailed studies we perform from time to time, but those studies and assumptions are subject to uncertainties and estimates that may not be accurate. We recognize the costs of reclaiming open pits and shafts, stockpiles, tailings ponds, roads and other mining support areas based on the estimated mining life of our property. If we were to significantly reduce the estimated life of any of our mines, the mine-closure costs would be applied to a shorter period of production, which would increase costs per ton produced and could significantly and adversely affect our results of operations and financial condition.

A North American mine permanent closure could accelerate and significantly increase employment legacy costs, including our expense and funding costs for pension and other postretirement benefit obligations. A number of employees would be eligible for immediate retirement under special eligibility rules that apply upon a mine closure. All employees eligible for immediate retirement under the pension plans at the time of the permanent mine closure also could be eligible for postretirement health and life insurance benefits, thereby accelerating our obligation to provide these benefits. Certain mine closures would precipitate a pension closure liability significantly greater than an ongoing operation liability. Finally, a permanent mine closure could trigger severance-related obligations, which can equal up to sixteen weeks of pay per employee in some jurisdictions, depending on length of service. As a result, the closure of one or more of our mines could adversely affect our financial condition and results of operations.

At the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador, and in the fourth quarter of 2014, we began to implement the permanent closure plan for the mine. Additionally, we disclosed in November 2014 that we were pursuing exit options for our Bloom Lake mine and as disclosed in January 2015, active production at Bloom Lake mine has completely ceased and the mine has transitioned to "care-and-maintenance" mode. To mitigate closure costs in connection with the potential shutdown of the Bloom Lake mine, our Canadian affiliates that operate the mine commenced restructuring proceedings under the CCAA. However, there can be no assurance that we will not have any material obligations in connection with the potential shutdown of the Bloom Lake mine despite the CCAA filing.

Our sales and competitive position depend on the ability to transport our products to our customers at competitive rates and in a timely manner.

In our U.S. Iron Ore operations, disruption of the lake and ocean-going vessels and rail transportation services because of weather-related problems, including ice and winter weather conditions on the Great Lakes or St. Lawrence Seaway, climate change, strikes, lock-outs, or other events and lack of alternative transportation sources, could impair our ability to supply iron ore to our customers at competitive rates or in a timely manner and, thus, could adversely affect our sales, margins and profitability. Similarly, our North American Coal operations depend on international vessels and rail transportation services, as well as the availability of dock capacity, and any disruptions to those services or the lack of dock capacity could impair our ability to supply coal to our customers at competitive rates or in a timely manner and, thus, could adversely affect our sales and profitability. Further, reduced dredging and environmental changes, particularly at Great Lakes ports, could impact negatively our ability to move our iron ore and coal products because lower water levels restrict the tonnage that vessels can haul, resulting in higher freight rates.

Our Asia Pacific Iron Ore operations also are dependent upon rail and port capacity. Disruptions in rail service or availability of dock capacity could similarly impair our ability to supply iron ore to our customers, thereby adversely affecting our sales and profitability. In addition, our Asia Pacific Iron Ore operations are also in direct competition with the major world seaborne exporters of iron ore and our customers face higher transportation costs than most other Australian producers to ship our products to the Asian markets because of the location of our major shipping port on the south coast of Australia. Further, increases in transportation costs, including volatile fuel rates, decreased availability of ocean vessels or changes in such costs relative to transportation costs incurred by our competitors could make our products less competitive, restrict our access to certain markets and have an adverse effect on our sales, margins and profitability.

Natural disasters, weather conditions, disruption of energy, unanticipated geological conditions, equipment failures, and other unexpected events may lead our customers, our suppliers or our facilities to curtail production or shut down operations.

Operating levels within the mining industry are subject to unexpected conditions and events that are beyond the industry’s control. Those events could cause industry members or their suppliers to curtail production or shut down a portion or all of their operations, which could reduce the demand for our iron ore and coal products, and could affect adversely our sales, margins and profitability.

Interruptions in production capabilities inevitably will increase our production costs and reduce our profitability. We do not have meaningful excess capacity for current production needs, and we are not able to quickly increase production at one mine to offset an interruption in production at another mine.

A portion of our production costs are fixed regardless of current operating levels. As noted, our operating levels are subject to conditions beyond our control that can delay deliveries or increase the cost of mining at particular mines for varying lengths of time. These include weather conditions (for example, extreme winter weather, tornadoes, floods, and the lack of availability of process water due to drought) and natural and man-made disasters, pit wall failures, unanticipated geological conditions, including variations in the amount of rock and soil overlying the deposits of iron ore and coal, variations in rock and other natural materials and variations in geologic conditions and ore processing changes.

The manufacturing processes that take place in our mining operations, as well as in our processing facilities, depend on critical pieces of equipment. This equipment may, on occasion, be out of service because of unanticipated failures. In addition, many of our mines and processing facilities have been in operation for several decades, and the equipment is aged. In the future, we may experience additional material plant shutdowns or periods of reduced production because of equipment failures. Further, remediation of any interruption in production capability may require us to make large capital expenditures that could have a negative effect on our profitability and cash flows. Our business interruption insurance would not cover all of the lost revenues associated with equipment failures. Longer-term business disruptions could result in a loss of customers, which adversely could affect our future sales levels and, therefore, our profitability.

Regarding the impact of unexpected events happening to our suppliers, many of our mines are dependent on one source for electric power and for natural gas. A significant interruption in service from our energy suppliers due to terrorism, weather conditions, natural disasters, or any other cause can result in substantial losses that may not be fully recoverable, either from our business interruption insurance or responsible third parties.

We are subject to risks involving operations and sales in multiple countries.

We supply raw materials to the global integrated steel industry with substantial assets located outside of the U.S. We conduct operations in the U.S., Canada and Australia. As such, we are subject to additional risks beyond those relating to our U.S. operations, such as fluctuations in currency exchange rates; potentially adverse tax consequences due to overlapping or differing tax structures; burdens to comply with multiple and potentially conflicting foreign laws and regulations, including export requirements, tariffs, economic sanctions and other barriers, environmental health and safety requirements, and unexpected changes in any of these laws and regulations; the imposition of duties, tariffs, import and export controls and other trade barriers impacting the seaborne iron ore and coal markets; difficulties in staffing and managing multi-national operations; political and economic instability and disruptions, including terrorist attacks; disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act; and uncertainties in the enforcement of legal rights and remedies in multiple jurisdictions. If we are unable to manage successfully the risks associated with operating our global business, these risks could have a material adverse effect on our business, results of operations or financial condition.

Our profitability could be affected adversely by the failure of outside contractors to perform.

Asia Pacific Iron Ore uses contractors to handle many of the operational phases of their mining and processing operations and, therefore, we are subject to the performance of outside companies on key production areas. A failure of any of these contractors to perform in a significant way would result in additional costs for us, which also could affect adversely our production rates and results of operations.

Coal mining is complex due to geological characteristics of the region.

The geological characteristics of coal reserves, such as depth of overburden and coal seam thickness, make them complex and costly to mine. As mines become depleted, replacement reserves may not be available when required or, if available, may not be capable of being mined at costs comparable to those characteristic of the depleting mines, and, therefore, decisions to defer mine development activities may adversely impact our ability to substantially increase future coal production. These factors could materially adversely affect our mining operations and cost structures, which could affect adversely our sales, profitability and cash flows.

We may not be able to complete divestitures of our non-core assets at acceptable prices or at all.

As an extension of our re-focused U.S. Iron Ore strategy, we are currently in the process of streamlining our portfolio of non-core assets. Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore have been identified as non-core assets and will be considered for monetization. However, we may not be able to sell any non-core assets at sales prices acceptable to us or at all. Gains or losses on the sales of, or lost operating income from, non-core assets may affect our profitability. Moreover, we may incur asset impairment charges related to divestitures that reduce our profitability. Our divestiture activities may also present financial, managerial and operational risks. Those risks include diversion of management attention from existing businesses, difficulties separating personnel and financial and other systems, adverse effects on existing business relationships with suppliers and customers and indemnities and potential disputes with the buyers. Any of these factors could affect our financial condition and results of operations.

V. DEVELOPMENT AND SUSTAINABILITY RISKS

The cost and time to implement a strategic capital project may prove to be greater than originally anticipated.

We undertake strategic capital projects in order to enhance, expand or upgrade our mines and production capabilities. Our ability to achieve the anticipated increased volumes, revenues or otherwise realize acceptable returns on strategic capital projects that we may undertake is subject to a number of risks, many of which are beyond our control, including a variety of market (such as a volatile pricing environment for iron ore), operational, permitting and labor-related factors. Further, the cost to implement any given strategic capital project ultimately may prove to be greater and may take more time than originally anticipated. Inability to achieve the anticipated results from the implementation of our strategic capital projects, or the incurring of unanticipated implementation costs, penalties or inability to meet contractual obligations could affect adversely our results of operations and future earnings and cash flow generation.

We continually must replace reserves depleted by production. Our exploration activities may not result in additional discoveries.

Our ability to replenish our ore reserves is important to our long-term viability. Depleted ore reserves must be replaced by further delineation of existing ore bodies or by locating new deposits in order to maintain production levels over the long term. Resource exploration and development are highly speculative in nature. Our exploration projects involve many risks, require substantial expenditures and may not result in the discovery of sufficient additional mineral deposits that can be mined profitably. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish recoverable proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful and there is a risk that depletion of reserves will not be offset by discoveries or acquisitions.

We rely on estimates of our recoverable reserves, which is complex due to geological characteristics of the properties and the number of assumptions made.

We regularly evaluate our iron ore and coal reserves based on revenues and costs and update them as required in accordance with SEC Industry Guide 7 and historically, the Canadian Institute of Mining, Metallurgy & Petroleum's Definition Standards on Mineral Resources and Mineral Reserves. In addition, our Asia Pacific Iron Ore business segment has published reserves that follow the Joint Ore Reserve Code in Australia, with certain changes to our Western Australian reserve values to make them comply with SEC requirements. There are numerous uncertainties inherent in estimating quantities of reserves of our mines, including many factors beyond our control.

Estimates of reserves and future net cash flows necessarily depend upon a number of variable factors and assumptions, such as production capacity, effects of regulations by governmental agencies, future prices for iron ore and coal, future industry conditions and operating costs, severance and excise taxes, development costs and costs of extraction and reclamation, all of which may vary considerably from actual results. Estimating the quantity and grade of reserves requires us to determine the size, shape and depth of our mineral bodies by analyzing geological data, such as samplings of drill holes, tunnels and other underground workings. In addition to the geology assumptions of our mines, assumptions are also required to determine the economic feasibility of mining these reserves, including estimates of future commodity prices and demand, the mining methods we use, and the related costs incurred to develop and mine our reserves. For these reasons, estimates of the economically recoverable quantities of mineralized deposits attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net cash flows prepared by different engineers or by the same engineers at different times may vary substantially as the criteria change. Estimated ore reserves could be affected by future industry conditions, geological conditions and ongoing mine planning. Actual volume and grade of reserves recovered, production rates, revenues and expenditures with respect to our reserves will likely vary from estimates, and if such variances are material, our sales and profitability could be affected adversely.

Defects in title or loss of any leasehold interests in our properties could limit our ability to mine these properties or result in significant unanticipated costs.

A portion of our mining operations are conducted on properties we lease, license or as to which we have easements or other possessory interests ("leased properties"). Consistent with industry practice, title to most of these leased properties and mineral rights are not usually verified until we make a commitment to develop a property, which may not occur until after we have obtained necessary permits and completed exploration of the leased property. In some cases, title with respect to leased properties is not verified at all because we instead rely on title information or representations and warranties provided by lessors or grantors. We do not maintain title insurance on our owned or leased properties. A title defect or the loss of any lease, license or easement for any leased property could adversely affect our ability to mine the associated reserves. In addition, from time to time the rights of third parties for competing uses of adjacent, overlying, or underlying lands such as for, roads, easements and public facilities may affect our ability to operate as planned if our title is not superior or arrangements cannot be negotiated.

Any challenge to our title could delay the exploration and development of some reserves, deposits or surface rights, cause us to incur unanticipated costs and could ultimately result in the loss of some or all of our interest in those reserves or surface rights. In the event we lose reserves, deposits or surface rights, we may have to shut down or significantly alter the sequence of our mining operations, which may adversely affect our future production, revenues and cash flows. Additionally, if we lose any leasehold interests relating to any of our preparation plants or loadout facilities, we may need to find an alternative location to process our iron ore or coal and load it for delivery to customers, which could result in significant unanticipated costs. Finally, we could incur significant liability if we inadvertently mine on property we do not own or lease.

In order to continue to foster growth in our business and maintain stability of our earnings, we must maintain our social license to operate with our stakeholders.

As a mining company, maintaining a strong reputation and consistent operational and safety history is vital in order to continue to foster growth and maintain stability in our earnings. As sustainability expectations increase and regulatory requirements continue to evolve, maintaining our social license to operate becomes increasingly important. We strive to incorporate social license expectations in our ERM program. Our ability to maintain our reputation and strong operating history could be threatened, including by circumstances outside of our control. If we are not able to respond effectively to these and other challenges to our social license to operate, our reputation could be damaged significantly. Damage to our reputation could affect adversely our operations and ability to foster growth in our Company.

Estimates and timelines relating to new development and expansion projects are uncertain and we may incur higher costs and lower economic returns than estimated.

Mine development and expansion projects projects typically require a number of years and significant expenditures during the development or expansion phase before production is possible. Such projects could experience unexpected problems and delays during development, construction and mine start-up or expansion.

Our decision to develop a project typically is based on the results of feasibility studies, which estimate the anticipated economic returns of a project. The actual project profitability or economic feasibility may differ from such estimates as a result of any of the following factors, among others: changes in tonnage, grades and metallurgical characteristics of ore to be mined and processed; estimated future prices of the relevant ore; changes in customer demand; higher construction and infrastructure costs; the quality of the data on which engineering assumptions were made; higher production costs; adverse geotechnical conditions; availability of adequate labor force; availability and cost of water and power; availability and cost of transportation; fluctuations in inflation and currency exchange rates; availability and terms of financing; delays in obtaining environmental or other government permits or changes in laws and regulations including environmental laws and regulations; weather or severe climate impacts; and potential delays relating to social and community issues.

Our future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new production sites or facilities may be less profitable than currently anticipated, or may not be profitable at all, any of which could have a material adverse effect on our sales, margins and cash flows.

VI. HUMAN CAPITAL RISKS

Our profitability could be affected adversely if we fail to maintain satisfactory labor relations.

Production in our mines is dependent upon the efforts of our employees. We are party to labor agreements with various labor unions that represent employees at our operations. Such labor agreements are negotiated periodically, and, therefore, we are subject to the risk that these agreements may not be able to be renewed on reasonably satisfactory terms. It is difficult to predict what issues may arise as part of the collective bargaining process, and whether negotiations concerning these issues will be successful. Due to union activities or other employee actions, we could experience labor disputes, work stoppages, or other disruptions in our production of coal and iron ore that could affect us adversely. The USW represents all hourly employees at our U.S. Iron Ore and Eastern Canadian Iron Ore operations owned and/or managed by Cliffs or its subsidiary companies except for Northshore. Our labor agreements with the USW at four of our U.S. Iron Ore operations expire in September 2015. Since this is an expiration year for our labor agreements, there is an increased probability of a disruption at our U.S. Iron Ore operations in 2015.

If we enter into a new labor agreement with any union that significantly increases our labor costs relative to our competitors or fail to come to an agreement upon expiry, our ability to compete may be materially and adversely affected.

We may encounter labor shortages for critical operational positions, which could affect adversely our ability to produce our products.

We are predicting a long-term shortage of skilled workers for the mining industry and competition for the available workers limits our ability to attract and retain employees. Additionally, at our U.S. mining locations, many of our mining operational employees are approaching retirement age. As these experienced employees retire, we may have difficulty replacing them at competitive wages.

Our expenditures for post-retirement benefit and pension obligations could be materially higher than we have predicted if our underlying assumptions differ from actual outcomes, there are mine closures, or our joint venture partners fail to perform their obligations that relate to employee pension plans.

We provide defined benefit pension plans and OPEB to certain eligible union and non-union employees in North America, including our share of expense and funding obligations with respect to unconsolidated ventures. Our pension expense and our required contributions to our pension plans are affected directly by the value of plan assets, the projected and actual rate of return on plan assets, and the actuarial assumptions we use to measure our defined benefit pension plan obligations, including the rate at which future obligations are discounted.

We cannot predict whether changing market or economic conditions, regulatory changes or other factors will increase our pension expenses or our funding obligations, diverting funds we would otherwise apply to other uses.

Signatories to labor agreements with the UMWA have participated for decades in the 1974 PP. The 1974 PP has been underfunded for a number of years and has a current total underfunded liability in excess of $4.3 billion. Our Pinnacle and Oak Grove mines are signatories to labor agreements with the UMWA, making them participants in the 1974 PP. If Pinnacle or Oak Grove were to withdraw from the 1974 PP or if a mass withdrawal were to occur, we would become obligated to satisfy the withdrawal liability owed to the 1974 PP.

We have calculated our unfunded pension and OPEB obligations based on a number of assumptions. If our assumptions do not materialize as expected, cash expenditures and costs that we incur could be materially higher. Moreover, we cannot be certain that regulatory changes will not increase our obligations to provide these or additional benefits. These obligations also may increase substantially in the event of adverse medical cost trends or unexpected rates of early retirement, particularly for bargaining unit retirees.

We depend on our senior management team and other key employees, and the loss of these employees could adversely affect our business.

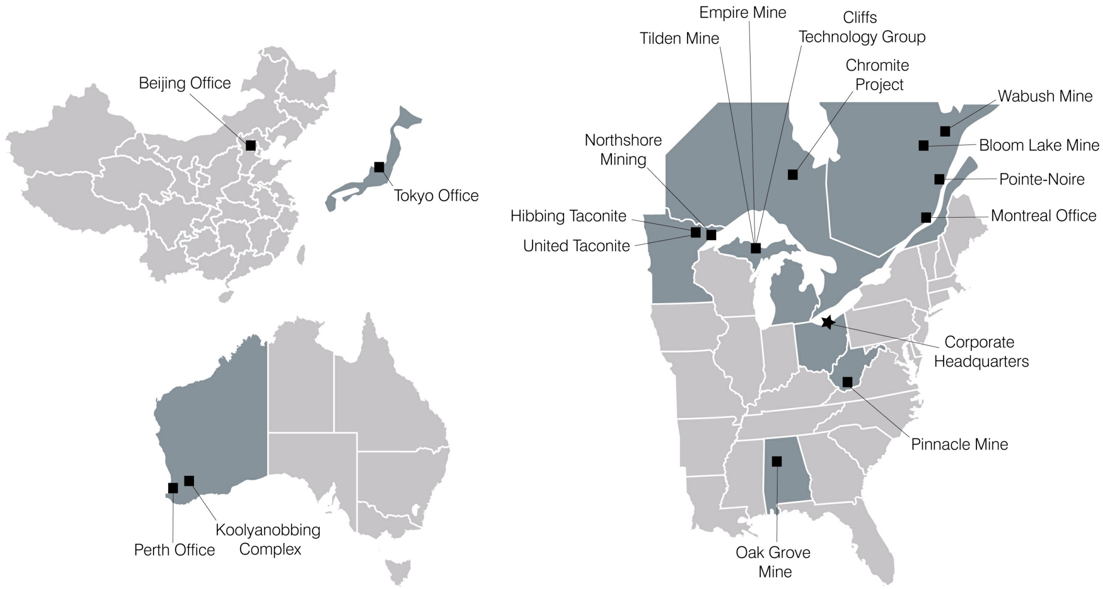
Our success depends in part on our ability to attract and motivate our senior management and key employees. Achieving this objective may be difficult due to a variety of factors, including fluctuations in the global economic and industry conditions, competitors' hiring practices, cost reduction activities, and the effectiveness of our compensation programs. Competition for qualified personnel can be intense. We must continue to recruit, retain, and motivate our senior management and key personnel in order to maintain our business and support our projects. A loss of senior management and key personnel could prevent us from capitalizing on business opportunities, and our operating results could be adversely affected.

Item 1B. *Unresolved Staff Comments*

We have no unresolved comments from the SEC.

Item 2. ***Properties***

The following map shows the locations of our operations and offices as of December 31, 2014:



General Information about the Mines

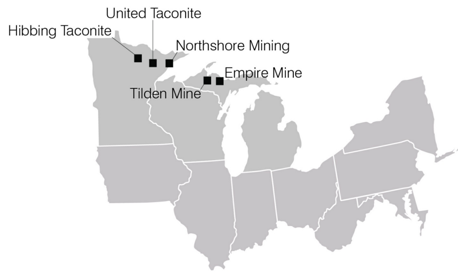
All of our iron ore mining operations are open-pit mines. Additional pit development is underway as required by long-range mine plans. At our U.S. Iron Ore and Asia Pacific Iron Ore mines, drilling programs are conducted periodically for the purpose of refining guidance related to ongoing operations.

Our North American Coal operations consist of underground mines. Drilling programs are conducted periodically for the purpose of refining guidance related to ongoing operations.

Geologic models are developed for all mines to define the major ore and waste rock types. Computerized block models for iron ore and stratigraphic models for coal are constructed that include all relevant geologic and metallurgical data. These are used to generate grade and tonnage estimates, followed by detailed mine design and life of mine operating schedules.

U.S. Iron Ore

The following map shows the locations of our U.S. Iron Ore operations as of December 31, 2014:



We directly or indirectly own and operate interests in five U.S. Iron Ore mines located in Michigan and Minnesota from which we produced 22.4 million, 20.3 million and 22.0 million tons of iron ore pellets in 2014, 2013 and 2012, respectively, for our account. We produced 7.3 million, 6.9 million and 7.5 million tons, respectively, on behalf of the steel company partners of the mines.

Our U.S. Iron Ore mines produce from deposits located within the Biwabik and Negaunee Iron Formation, which are classified as Lake Superior type iron formations that formed under similar sedimentary conditions in shallow marine basins approximately two billion years ago. Magnetite and hematite are the predominant iron oxide ore minerals present, with lesser amounts of goethite and limonite. Quartz is the predominant waste mineral present, with lesser amounts of other chiefly iron bearing silicate and carbonate minerals. The ore minerals liberate from the waste minerals upon fine grinding.

Mine	Cliffs Ownership	Infrastructure	Mineralization	Operating Since	Current Annual Capacity[1,2]	2014 Production[2,3]	Mineral Owned	Rights Leased
Empire	79%	Mine, Concentrator, Pelletizer	Magnetite	1963	5.5	4.3	53%	47%
Tilden	85%	Mine, Concentrator, Pelletizer, Railroad	Hematite & Magnetite	1974	8.0	7.6	100%	—%
Hibbing	23%	Mine, Concentrator, Pelletizer	Magnetite	1976	8.0	7.7	3%	97%
Northshore	100%	Mine, Concentrator, Pelletizer, Railroad	Magnetite	1990	6.0	5.2	—%	100%
United Taconite	100%	Mine, Concentrator, Pelletizer	Magnetite	1965	5.4	4.9	—%	100%

[1] Annual capacity is reported on a wet basis in millions of long tons, equivalent to 2,240 pounds.

[2] Figures reported on 100% basis.

[3] 2014 Production from Empire includes 2.4 million long tons tolled to Tilden.

Empire Mine

The Empire mine is located on the Marquette Iron Range in Michigan's Upper Peninsula approximately 15 miles southwest of Marquette, Michigan. The Empire mine has produced between 3.0 million and 4.9 million tons of iron ore pellets annually over the past five years, of which between 1.3 million and 2.4 million tons annually over the past five years were tolled to Tilden mine.

We own 79 percent of Empire and a subsidiary of ArcelorMittal USA has retained the remaining 21 percent ownership in Empire with limited rights and obligations, which it has a unilateral right to put to us at any time. This right has not been exercised. Each partner takes its share of production pro rata; however, provisions in the partnership agreement allow additional or reduced production to be delivered under certain circumstances. We own directly approximately one-half of the remaining ore reserves at the Empire mine and lease them to Empire. A subsidiary of ours leases the balance of the Empire reserves from other owners of such reserves and subleases them to Empire. Operations consist of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills, magnetic separation and floatation to produce a magnetite concentrate that is then supplied to the on-site pellet plant.

Tilden Mine

The Tilden mine is located on the Marquette Iron Range in Michigan's Upper Peninsula approximately five miles south of Ishpeming, Michigan. Over the past five years, the Tilden mine has produced between 7.5 million and 7.8 million tons of iron ore pellets annually. We own 85 percent of Tilden, with the remaining minority interest owned by a subsidiary of U.S. Steel Canada Inc. Each partner takes its share of production pro rata; however, provisions in the partnership agreement allow additional or reduced production to be delivered under certain circumstances. We own all of the ore reserves at the Tilden mine and lease them to Tilden. Operations consist of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills, magnetite separation and floatation to produce hematite and magnetic concentrates that are then supplied to the on-site pellet plant.

The Empire and Tilden mines are located adjacent to each other. The logistical benefits include a consolidated transportation system, more efficient employee and equipment operating schedules, reduction in redundant facilities and workforce and best practices sharing. Two railroads, one of which is wholly owned by us, link the Empire and Tilden mines with Lake Michigan at the loading port of Escanaba, Michigan and with the Lake Superior loading port of Marquette, Michigan.

Hibbing Mine

The Hibbing mine is located in the center of Minnesota's Mesabi Iron Range and is approximately ten miles north of Hibbing, Minnesota and five miles west of Chisholm, Minnesota. Over the past five years, the Hibbing mine has produced between 5.9 million and 8.1 million tons of iron ore pellets annually. We own 23 percent of Hibbing, a subsidiary of ArcelorMittal has a 62.3 percent interest and a subsidiary of U.S. Steel has a 14.7 percent interest. Each partner takes its share of production pro rata; however, provisions in the joint venture agreement allow additional or reduced production to be delivered under certain circumstances. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. Hibbing operations consist of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills and magnetic separation to produce a magnetite concentrate, which is then delivered to an on-site pellet plant. From the site, pellets are transported by BNSF rail to a ship loading port at Superior, Wisconsin operated by BNSF.

Northshore Mine

The Northshore mine is located in northeastern Minnesota, approximately two miles south of Babbitt, Minnesota on the northeastern end of the Mesabi Iron Range. Northshore's processing facilities are located in Silver Bay, Minnesota, near Lake Superior. Crude ore is shipped by a wholly owned railroad from the mine to the processing and dock facilities at Silver Bay. Over the past five years, the Northshore mine has produced between 3.9 million and 5.8 million tons of iron ore pellets annually. Two of the four production lines at Northshore were idled beginning January 5, 2013 but the idled lines reopened during the first quarter of 2014. One of the four furnaces in the Northshore pellet plant became idled in January 2015 and is expected to remain idled throughout the year. The Northshore mine began production under our management and ownership on October 1, 1994. We own 100 percent of the mine. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. Northshore operations consist of an open pit truck and shovel mine where two stages of crushing occur before the ore is transported along a wholly owned 47-mile rail line to the plant site in Silver Bay. At the plant site, two additional stages of crushing occur before the ore is sent to the concentrator. The concentrator utilizes rod mills and magnetic separation to produce a magnetite concentrate, which is delivered to the pellet plant located on-site. The plant site has its own ship loading port located on Lake Superior.

United Taconite Mine

The United Taconite mine is located on Minnesota's Mesabi Iron Range in and around the city of Eveleth, Minnesota. The United Taconite concentrator and pelletizing facilities are located ten miles south of the mine, near the town of Forbes, Minnesota. Over the past five years, the United Taconite mine has produced between 4.9 million and 5.4 million tons of iron ore pellets annually. We own 100 percent of the mine. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. United Taconite operations consist of an open pit truck and shovel mine where two stages of crushing occur before the ore is transported by rail to the plant site located ten miles to the south. At the plant site an additional stage of crushing occurs before the ore is sent to the concentrator. The concentrator utilizes rod mills and magnetic separation to produce a magnetite concentrate, which is delivered to the pellet plant. From the site, pellets are transported by CN rail to a ship loading port at Duluth, Minnesota operated by CN.

Asia Pacific Iron Ore

The following map shows the location of our Asia Pacific Iron Ore operation as of December 31, 2014:

In Australia, we own and operate the Koolyanobbing operations and owned and operated a 50 percent interest in the Cockatoo Island iron ore mine until we sold it in September 2012. We produced 11.4 million metric tons, 11.1 million metric tons and 11.3 million metric tons in 2014, 2013 and 2012, respectively. The 2012 production tons include tons produced at the Koolyanobbing operations and the Cockatoo Island iron ore mine.

The mineralization at the Koolyanobbing operations is predominantly hematite and goethite replacements in greenstone-hosted banded iron formations. Individual deposits tend to be small with complex ore-waste contact relationships. The reserves at the Koolyanobbing operations are derived from 10 separate mineral deposits distributed over a 70 mile operating radius.

Mine	Cliffs Ownership	Infrastructure	Mineralization	Operating Since	Current Annual Capacity[1]	2014 Production	Mineral Owned	Rights Leased
Koolyanobbing	100%	Mine, Road Haulage, Crushing-Screening Plant	Hematite & Goethite	1994	11.0	11.4	—%	100%

[1] Annual capacity is reported on a wet basis in millions of metric tons, equivalent to 2,205 pounds.

Koolyanobbing

The Koolyanobbing operations are located 250 miles east of Perth and approximately 30 miles northeast of the town of Southern Cross. Koolyanobbing produces lump and fines iron ore. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renewed as they approach their respective expiration dates. In 2011, a significant permitting milestone was achieved with the granting of regulatory approvals necessary to develop above the water table at Windarling's W1 deposit. In 2013, environmental approvals were obtained for deepening of the Windarling W1 pit and deepening of the Koolyanobbing A/B/C pits.

Over the past five years, the Koolyanobbing operation has produced between 8.2 million and 11.4 million metric tons annually. The expansion project at Koolyanobbing increasing annual capacity to 11 million metric tons was completed in 2012. Ore material is sourced from nine separate open pit mines and delivered by typical production trucks or road trains to a crushing and screening facility located at Koolyanobbing. All of the ore from the Koolyanobbing operations is transported by rail to the Port of Esperance, 360 miles to the south, for shipment to Asian customers.

North American Coal

The following map shows the locations of our North American Coal operations as of December 31, 2014:

Throughout 2014, we directly owned and operated three North American coal mining complexes from which we produced a total of 7.5 million, 7.2 million and 6.4 million tons of coal in 2014, 2013 and 2012, respectively. We no longer own CLCC as the sale of the CLCC assets was completed on December 31, 2014, and therefore CLCC is not denoted on the map above. The production tons include 2.5 million tons, 2.1 million tons and 2.2 million tons of coal produced by CLCC in 2014, 2013 and 2012, respectively. Our coal production at each mine is shipped within the U.S. by rail or barge. Coal for international customers is shipped through the ports of Mobile, Alabama; Norfolk, Virginia; and New Orleans, Louisiana.

Coal seams mined at all of our North American Coal operations are Pennsylvanian Age and derived from the Pocahontas 3 and 4 seams at the Pinnacle Complex and the Blue Creek Seam at Oak Grove, which produce high quality, low ash metallurgical products.

Mine	Cliffs Ownership	Infrastructure	Primary Coal Type	Operating Since	Current Annual Capacity[1]	2014 Production	Mineral Owned	Rights Leased
Pinnacle Complex	100%	U/G Mine, Preparation Plant, Load-out	Low-Volatile Metallurgical	1969	4.0	2.7	—%	100%
Oak Grove	100%	U/G Mine, Preparation Plant, Load-out	Low-Volatile Metallurgical	1972	2.5	2.3	—%	100%

[1] Annual capacity is on a wet basis in millions of short tons, equivalent to 2,000 pounds.

Pinnacle Complex

The Pinnacle Complex includes the Pinnacle and Green Ridge mines and is located approximately 30 miles southwest of Beckley, West Virginia. The Pinnacle mine has been in operation since 1969. Over the past five years, the Pinnacle mine has produced between 1.1 million and 2.8 million tons of coal annually. The Green Ridge mines became operational in 2004 and have ranged from no production to 0.1 million tons of coal annually in the last five years. In February 2010, the Green Ridge No. 1 mine was closed permanently due to exhaustion of the economic reserves at the mine. In addition, the Green Ridge No. 2 mine was idled in January 2012. Pinnacle utilizes continuous miners and a longwall plow system; Green Ridge utilizes only continuous miners. Both facilities share preparation, processing and load-out facilities.

Oak Grove

The Oak Grove mine is located approximately 25 miles southwest of Birmingham, Alabama. The mine has been in operation since 1972. Over the past five years, the Oak Grove mine has produced between 1.0 million and 2.3 million tons of coal annually. In 2011, a new shaft and support facilities were commissioned in order to reduce the transport time for supplies and personnel to the working face. The previous shaft still is utilized in a support role. Oak Grove utilizes a long wall shearer with continuous miners. Preparation, processing and rail load-out facilities are located on-site. The preparation plant at Oak Grove incurred significant tornado damage during 2011. The plant rebuild included new equipment and improvements to the process design that enhanced the performance of the plant, which returned to normal operating capacity in January 2012.

Eastern Canadian Iron Ore

The following map shows the locations of our Eastern Canadian Iron Ore operations as of December 31, 2014:

We own interests in two non-operating iron ore mines in the Canadian Provinces of Québec and Newfoundland and Labrador from which we had been producing iron ore concentrate through December 2014 and produced iron ore pellets through June 2013. We produced 6.2 million, 8.7 million and 8.5 million metric tons of iron ore product in 2014, 2013 and 2012, respectively, from these two mines. In May 2011, we acquired Consolidated Thompson along with its 75 percent interest in the Bloom Lake property. In the fourth quarter of 2013, our interest in Bloom Lake increased by an aggregate of 7.8 percent, bringing our interest to 82.8 percent in the Bloom Lake property.

Our Eastern Canadian mines had been producing from deposits located within the area known as the Labrador Trough and are composed of iron formations, which are classified as Lake Superior type. Lake Superior type iron formations consist of banded sedimentary rocks that formed under similar conditions in shallow marine basins approximately two billion years ago. The Labrador Trough region experienced considerable metamorphism and folding of the original iron deposits. Magnetite and hematite are the predominant iron oxide ore minerals present, with lesser amounts of goethite and limonite. Quartz is the predominant waste mineral present, with lesser amounts of other chiefly iron bearing silicate minerals. The ore minerals liberate from the waste minerals upon fine grinding.

Mine	Cliffs Ownership	Infrastructure	Mineralization	Operating Since	Current Annual Capacity[1, 2]	2014 Production[2]	Mineral Owned	Rights Leased
Wabush[3]	100%	Mine, Concentrator, Pelletizer, Railroad	Hematite	1965	5.6	0.3	—%	100%
Bloom Lake[4]	82.8%	Mine, Concentrator, Railroad	Hematite	2010	7.2	5.9	—%	100%

[1] Annual capacity is reported on a wet basis in millions of metric tons, equivalent to 2,205 pounds.

[2] Figures reported on 100% basis.

[3] At the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and began to implement the permanent closure plan for the mine.

[4] In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

Wabush Mine

The Wabush mine has been in operation since 1965. Over the past five years, the Wabush mine has produced between 0.3 million and 3.9 million metric tons of iron ore pellets and concentrate annually. Mining was conducted on several mineral leases having varying expiration dates. Mining leases are routinely renegotiated and renewed as they approach their respective expiration dates. The Wabush mine and concentrator are located in Wabush, Newfoundland and Labrador, and the pelletizing operations and dock facility are located in Pointe Noire, Québec. At the mine, operations consisted of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills and gravity separation to produce an iron concentrate. Concentrates had been shipped by rail 300 miles to Pointe Noire where they were pelletized through June 2013 for shipment via vessel within Canada, to the U.S. and other international destinations. Concentrates had been shipped directly from Pointe Noire for sinter feed.

As disclosed in the first quarter of 2014, at the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and began to implement the permanent closure plan for the mine in October 2014. The idle and move to ultimate closure was driven by the unsustainable high cost structure. The pellet plant operations at Pointe Noire had been idled since the second quarter of 2013.

Bloom Lake Mine

The Bloom Lake mine and concentrator are located approximately nine miles southwest of Fermont, Québec. As previously mentioned, our acquisition of Consolidated Thompson in May 2011 included a 75 percent majority ownership in the Bloom Lake operation. During the fourth quarter of 2013, CQIM's interest in the property increased by an aggregate of 7.8 percent to 82.8 percent after CQIM paid both its own and WISCO’s proportionate shares of the cash call for the first half of 2013. As a result, WISCO's interest was diluted to 17.2 percent. Since the acquisition in May 2011, the Bloom Lake mine has produced between 3.5 million and 5.9 million metric tons of iron ore concentrate annually. Phase I of the Bloom Lake mine was commissioned in March 2010, and consisted of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, an AG mill and gravity separation to produce an iron concentrate. From the site, concentrate is transported 320 miles by rail to a ship loading port in Pointe Noire, Québec.

The Bloom Lake mine assets were included in the CCAA filing made in January 2015. For more information see "*Eastern Canadian Iron Ore*" in Item 1 - Business.

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Advanced Exploration and Development Properties

The following map shows the locations of our advanced exploration and development properties as of December 31, 2014:

We have several advanced exploration projects located in the Canadian provinces of British Columbia, Ontario and Québec in different stages of evaluation at this time. Work historically completed on these properties includes geological mapping, drilling and sampling programs, and initial and advance stage engineering studies. In alignment with our capital allocation strategy, we anticipate minimal levels of exploration spending to continue in 2015 and beyond.

Chromite Project

Cliffs Chromite Ontario's primary assets are situated in the Ring of Fire area, James Bay lowlands, of northern Ontario. These chromite properties are located approximately 155 miles north of the town of Nakina (on the CN railroad mainline) and about 50 miles east of the First Nations community of Webequie. We have a controlling position in three chromite deposits that occur in close proximity to each other: a 100 percent interest in each of the Black Label and Black Thor chromite deposits and a 70 percent interest in the Big Daddy chromite deposit. KWG Resources Inc. owns the remaining 30 percent. We have completed a prefeasibility study on the Black Thor deposit, the largest of the three deposits. On November 20, 2013, we suspended indefinitely our Chromite Project in Northern Ontario. Earlier in 2013, prior to the indefinite suspension of our Chromite Project, we suspended the environmental assessment activities because of pending issues impeding the progress of the project. The Chromite Project remained suspended throughout 2014. Given the uncertain timeline and risks associated with the development of necessary infrastructure to bring this project online, we do not expect to allocate any significant additional capital to the project, and are currently seeking to exit the Chromite Project through a possible sale of all or part of the assets or holding subsidiaries.

These chromite deposits are orthomagmatic stratiform deposits of unusual thickness and size. Mineralization consists of chromite crystals [(Fe,Mg)(Cr,Al,Fe)$_2$O$_4$] ranging from massive chromite bands to interbedded and disseminated chromite.

Decar Property

The Decar Property is located 56 miles northwest of Fort St. James, British Columbia, Canada and consists of 60 mineral claims covering 95 square miles. We own a 60 percent interest in the Decar Property and First Point Minerals Corp. owns the remaining 40 percent. In 2012, 2011 and 2010, we performed exploration activities on the property and in 2013 completed a scoping study to further evaluate the potential economics and viability of an operation producing a high-grade nickel concentrate that could be marketable to various end users. In 2013, our interest in the property increased from 51 percent to 60 percent as a result of completing the scoping study in accordance with the 2009 option agreement between Cliffs and First Point Minerals. Our Decar project program for 2014 has consisted of basic ongoing activity related to First Nations engagement and baseline environmental studies completed early in 2014. During 2014, we limited spending on the Decar Property. Given the uncertain timeline and risks associated with the development of necessary infrastructure to bring this project online, we do not expect to allocate any significant additional capital to the project.

The mineralization consists of the nickel-iron alloy awaruite ($Ni_{2-3}Fe$). Awaruite is disseminated in serpentinized peridotite; it occurs as relatively coarse grains between 50 to 400 μm in size. Awaruite has been observed throughout the entire extent of the peridotite but four zones of stronger mineralization have been identified. The four zones are the Baptiste, Sidney, Target B and Van targets. Prior to suspending spending on the Decar Property, exploration programs, resource definition drilling and engineering studies associated with the scoping study had focused on the Baptiste prospect.

Labrador Trough South

The Labrador Trough South property is located approximately 150 miles north of Sept-Iles, Québec and 30 miles southwest of the town of Fermont, Québec. Provincial highway 389 crosses the south and east sides of the property and provides year-round access. The property consists of a total of 636 non-contiguous claims covering roughly 130 square miles. Several areas containing iron mineralization have been further defined utilizing aerial geophysics, outcrop mapping and diamond drilling. These areas are known as: Lamêlée, Peppler Lake, Hobdad, Lac Jean and Faber. To date most of the exploration efforts focused on the first three areas. Cliffs acquired 100 percent ownership of the claims as part of the Consolidated Thompson acquisition in 2011. During 2014, we limited spending on the Labrador Trough South property. Given the uncertain timeline and risks associated with the development of necessary infrastructure to bring this project online, we do not expect to allocate any significant additional capital to the project. The Labrador Trough South property was included in the CCAA filing made in January 2015.

The Labrador Trough South property is situated in the Knob Lake Group of sedimentary rocks including Lake Superior-type banded iron formations. Here, the Labrador Trough is crossed by the Grenville Front. Trough rocks in the Grenville Province are highly metamorphosed, complexly folded and structurally dislocated. The high-grade metamorphism of the Grenville Province is responsible for recrystallization of both iron oxides and silica producing coarse-grained sugary quartz, magnetite, specular hematite schists and gneisses that are of improved quality for concentrating and processing. Potentially recoverable minerals in the project are predominantly magnetite and subordinate hematite.

Mineral Policy

We have a corporate policy prescribing internal control and procedures with respect to auditing and estimating of minerals. The procedures contained in the policy include the calculation of mineral estimates at each property by our engineers, geologists and accountants, as well as third-party consultants. Management compiles and reviews the calculations, and once finalized, such information is used to prepare the disclosures for our annual and quarterly reports. The disclosures are reviewed and approved by management, including our president and chief financial officer. Additionally, the long-range mine planning and mineral estimates are reviewed annually by our Audit Committee. Furthermore, all changes to mineral estimates, other than those due to production, are adequately documented and submitted to senior operations officers for review and approval. Finally, periodic reviews of long-range mine plans and mineral reserve estimates are conducted at mine staff meetings, senior management meetings and by independent experts.

Mineral Reserves

Reserves are defined by SEC Industry Standard Guide 7 as that part of a mineral deposit that could be economically and legally extracted and produced at the time of the reserve determination. All reserves are classified as proven or probable and are supported by life-of-mine plans.

Reserve estimates are based on pricing that does not exceed the three-year trailing average of benchmark prices for iron ore and coal adjusted to our realized price. For the three-year period 2011 to 2013, the average international benchmark price of 62 percent Fe CFR China was $145 per dry metric ton. For the same period, the benchmark coal prices FOB U.S. East Coast were $219 per metric ton for low-volatile coal.

We evaluate and analyze mineral reserve estimates in accordance with our mineral policy and SEC requirements. The table below identifies the year in which the latest reserve estimate was completed.

Property	Date of Latest Economic Reserve Analysis
U.S. Iron Ore	
Empire	2009
Tilden	2011
Hibbing	2012
Northshore	2012
United Taconite	2013
Asia Pacific Iron Ore	
Koolyanobbing	2013
North American Coal	
Pinnacle Complex	2013
Oak Grove	2012

Iron Ore Reserves

Ore reserve estimates for our iron ore mines as of December 31, 2014 were estimated from fully designed open pits developed using three-dimensional modeling techniques. These fully designed pits incorporate design slopes, practical mining shapes and access ramps to assure the accuracy of our reserve estimates. In the first quarter of 2014, we made the decision to idle all production at our Wabush mine. Production at our Wabush mine was idled by the end of March 2014, and in November 2014, we determined to implement the permanent closure plan for the mine, which became effective in the fourth quarter of 2014. On November 19, 2014, we announced that we are pursuing exit options for our Eastern Canadian Iron Ore operations, which may result in the closure of the Bloom Lake mine. Additionally, as disclosed on January 2, 2015, active production at Bloom Lake mine has completely ceased and the mine has transitioned to "care-and-maintenance" mode. As a result, the reserves previously reported for Wabush and Bloom Lake mines have been removed from our reserve estimates. All of our remaining operations reserves have been adjusted net of 2014 production.

U.S. Iron Ore

All tonnages reported for our U.S. Iron Ore operating segment are in long tons of 2,240 pounds, have been rounded to the nearest 100,000 and are reported on a 100 percent basis.

U.S. Iron Ore Mineral Reserves
as of December 31, 2014
(In Millions of Long Tons)

		Proven		Probable		Proven & Probable		Saleable Product [2,3]		Previous Year	
Property	**Cliffs Share**	**Tonnage**	**% Grade**	**Tonnage**	**% Grade**	**Tonnage**	**% Grade[5]**	**Process Recovery[4]**	**Tonnage**	**P&P Crude Ore**	**Saleable Product**
Empire	79%	14.6	20.9	—	—	14.6	20.9	32%	4.7	4.7	1.4
Tilden Hematite[1]	85%	454.3	35.7	130.0	36.1	584.3	35.8	34%	199.6	604.6	207.2
Tilden Magnetite	85%	66.0	29.1	11.7	29.2	77.7	29.1	38%	29.5	84.6	31.9
Total Tilden	85%	520.3		141.7		662.0		35%	229.1	689.2	239.1
Hibbing	23%	239.5	18.9	20.7	18.9	260.2	18.9	26%	68.0	287.5	75.4
Northshore	100%	323.7	25.5	712.6	24.8	1,036.3	25.0	34%	351.8	1,051.4	356.9
United Taconite	100%	409.2	23.1	65.9	22.9	475.1	23.1	34%	159.2	489.4	164.1
Totals		**1,507.3**		**940.9**		**2,448.2**			**812.8**	**2,522.2**	**836.9**

[1] Tilden hematite reported grade is percent FeT; all other properties are percent magnetic iron

[2] Saleable product is a standard pellet containing 60 to 66 percent Fe calculated from both proven and probable mineral reserves

[3] Saleable product is reported on a dry basis; shipped products typically contain 1 to 4 percent moisture

[4] Process recovery includes all factors for converting crude ore tonnage to saleable product

[5] Cutoff grades are 15 percent magnetic iron for Hibbing and Empire, 17 percent for United Taconite, 19 percent for Northshore and 20 percent for Tilden. Cutoff for Tilden hematite is 25 percent FeT.

As previously announced, we entered into an agreement with our partner at the Empire mine on February 24, 2014 in regard to an extension of the mine life until 2016. Reserve figures for the Empire mine have been updated to reflect the increased crude ore tonnage and pellet production we expect to realize based on the extended mine life.

Asia Pacific Iron Ore

All tonnages reported for our Asia Pacific Iron Ore operating segment are in metric tons of 2,205 pounds, have been rounded to the nearest 100,000 and are reported on a 100 percent basis.

Asia Pacific Iron Ore Mineral Reserves
as of December 31, 2014
(In Millions of Metric Tons)[1]

		Proven		Probable		Proven & Probable		Previous Year Total
Property	**Cliffs Share**	**Tonnage**	**% Fe**	**Tonnage**	**% Fe**	**Tonnage**	**% Fe[2]**	**Tonnage**
Koolyanobbing	100%	6.5	57.9	54.3	60.1	60.8	59.8	64.5

[1] Tonnages reported are saleable product reported on a dry basis; shipped products contain approximately 3 percent moisture

[2] Cutoff grade is 54 percent FeT

Coal Reserves

Coal reserves estimates for our North American underground mines as of December 31, 2014 were estimated using three-dimensional modeling techniques, coupled with scheduled mine plans. The Pinnacle operations and Oak Grove operations reserves have not changed net of 2014 mine production. Effective December 31, 2014, the sale of the CLCC assets was completed and, as a result, the reserves previously reported have been removed from our reserve estimates.

North American Coal

All tonnages reported for our North American Coal operating segment are in short tons of 2,000 pounds, have been rounded to the nearest 100,000 and are reported on a 100 percent basis.

Recoverable Coal Reserves
as of December 31, 2014
(In Millions of Short Tons)[1]

					Reserve Classification			Quality		Previous Year
Property/Seam	**Cliffs Share**	**Category[2]**	**Coal Type**	**Mine Type**	**Proven**	**Probable**	**Total P&P**	**% Sulfur**	**As Received Btu/lb**	**Total P&P**
Pinnacle Complex										
Pocahontas No 3	100%	Assigned	Metallurgical	U/G	29.0	9.9	38.9	0.92	14,000	41.6
Pocahontas No 4	100%	Unassigned	Metallurgical	U/G	2.8	0.5	3.3	0.51	14,000	3.3
Oak Grove										
Blue Creek Seam	100%	Assigned	Metallurgical	U/G	28.7	4.0	32.7	0.57	14,000	35.0
Totals					**60.5**	**14.4**	**74.9**			**79.9**

[1] Recoverable coal is reported on a wet basis containing approximately 6 percent moisture

[2] Assigned reserves represent coal that can be mined without a significant capital expenditure, whereas unassigned reserves will require significant capital expenditures before production could be realized

Item 3. ***Legal Proceedings***

Alabama Dust Litigation. There are currently three cases in the Alabama state court system that comprise the Alabama Dust Litigation. Generally, these claims are brought by nearby homeowners who allege that dust emanating from the Concord Preparation Plant causes damage to their properties. All three of these cases are active and settlement discussions are proceeding. It is possible that these types of complaints may continue to be filed in the future, but the overall impact of these cases is not anticipated currently to have a material financial impact on our business.

Bloom Lake Investigation. CQIM, Bloom Lake General Partner Limited and Bloom Lake were investigated by Environment Canada in relation to alleged violations of Section 36(3) of the Fisheries Act that prohibits the deposit of a deleterious substance in water frequented by fish or in any place where the deleterious substance may enter any such water and Section 40(3) of the Fisheries Act in relation to an alleged failure to comply with a direction of an inspector. The investigation covered several alleged incidents that occurred between April 2011 and October 2012. The Bloom Lake investigation was settled on December 19, 2014 resolving all allegations and included a fine of C$1.5 million and a contribution to the Environmental Damages Fund of C$6.0 million. CQIM, Bloom Lake General Partner Limited and Bloom Lake entered into a Management Directive with Environment Canada which outlines compliance obligations to address these concerns going forward.

Essar Litigation. The Cleveland-Cliffs Iron Company, Northshore Mining Company and Cliffs Mining Company (collectively, the "Cliffs Plaintiffs") filed a complaint against Essar in the U.S. District Court for the Northern District of Ohio, Eastern Division, on January 12, 2015, asserting that Essar breached the Essar Sale Agreement by, among other things, failing to take delivery of and pay for its nominated ore in 2014, failing to make certain payments under a true up provision, and disclosing confidential information. The complaint also seeks a declaration that Essar is not entitled to receive certain credit payments under the terms of the Essar Sale Agreement. The Cliffs Plaintiffs seek damages in excess of $90 million. Essar filed an Answer and Counterclaim on February 11, 2015, seeking damages in excess of $160 million for various alleged breaches of the Essar Sale Agreement, including failure to deliver ore, overcharging for certain deliveries, failure to pay certain credit payments and disclosing confidential information.

Maritime Asbestos Litigation. The Cleveland-Cliffs Iron Company and/or The Cleveland-Cliffs Steamship Company have been named defendants in 489 actions brought from 1986 to date by former seamen claiming damages for various illnesses allegedly suffered as the result of exposure to airborne asbestos fibers while serving as crew members aboard the vessels previously owned or managed by our entities until the mid-1980s. All of these actions have been consolidated into multidistrict proceedings in the Eastern District of Pennsylvania, along with approximately 30,000 other cases from various jurisdictions that were filed against other defendants. Through a series of court orders, the docket has been reduced to approximately 3,500 active cases. We are a named defendant in approximately 50 cases. These cases are in the discovery phase. The court has dismissed the remainder of the cases without prejudice. Those dismissed cases could be reinstated upon application by plaintiffs' counsel. The claims against our entities are insured in amounts that vary by policy year; however, the manner in which coverage will be applied remains uncertain. Our entities continue to vigorously contest these claims and have made no settlements on them.

Pinnacle Mine Environmental Litigation. On June 22, 2010, the West Virginia DEP filed a lawsuit in the Wyoming County Circuit Court against the Pinnacle mine alleging past non-compliance with its NPDES discharge permit. The complaint seeks injunctive relief and penalties. An initial penalty proposal of $1.0 million was offered by the West Virginia DEP in March 2012; however, Pinnacle disagrees with the alleged violations and has met with the DEP to present facts supporting a review and reduction of the proposed penalty.

Pointe Noire Investigation. Wabush Mines was investigated by Environment Canada in relation to alleged violations of (i) Section 36(3) of the Fisheries Act, which prohibits the deposit of a deleterious substance in water frequented by fish or in any place where the deleterious substance may enter any such water, and (ii) Section 5.1 of the Migratory Bird Convention Act, 1994. The Québec Ministry of Sustainable Development, Environment, Wildlife and Parks also conducted an investigation into alleged violations of Section 8 of the Hazardous Material Regulation, which prohibits the discharge of a hazardous material to the environment. The investigations covered events surrounding and leading up to the alleged release of approximately 1,320 gallons of fuel oil into the Bay of Sept-Iles on September 1, 2013. We cooperated with the investigators and agency response officials. In April 2014, the Québec Ministry of Justice filed a penalty charge related to the incident. The Pointe Noire investigation was settled in December 2014. A fine of C$750,000 and C$61,000 in costs were agreed to be paid. We are anticipating a report by the Québec Ministry related to their assessment of the cleanup activities and further direction related to requirements for additional environmental monitoring, if any.

Putative Class Action Lawsuits. In May 2014, alleged purchasers of our common shares filed suit in the U.S. District Court for the Northern District of Ohio against us and certain current and former officers and directors of the Company. The action is captioned Department of the Treasury of the State of New Jersey and Its Division of Investment v. Cliffs Natural Resources Inc., et al., No. 1:14-CV-1031. The action asserts violations of the federal securities laws based on alleged false or misleading statements or omissions during the period of March 14, 2012 to March 26, 2013, regarding operations at our Bloom Lake mine in Québec, Canada, and the impact of those operations on our finances and outlook, including sustainability of the dividend, and that the alleged misstatements caused our common shares to trade at artificially inflated prices. The lawsuit seeks class certification and an award of monetary damages to the putative class in an unspecified amount, along with costs of suit and attorneys' fees. On October 21, 2014, defendants filed a motion to dismiss this action. The lawsuit has been referred to our insurance carriers.

In June 2014, an alleged purchaser of the depositary shares issued by Cliffs in a public offering in February 2013 filed a putative class action, which is currently pending in the U.S. District Court for the Northern District of Ohio and is captioned Rosenberg v. Cliffs Natural Resources Inc., et al. , No. 1:14-cv-01531, The suit asserts claims against us, certain current and former officers and directors of the Company, and several underwriters of the offering, alleging disclosure violations in the registration statement regarding operations at our Bloom Lake mine and the impact of those operations on our finances and outlook. This action seeks class certification and monetary relief in an unspecified amount, along with costs of suit and attorneys' fees. This lawsuit has been referred to our insurance carriers.

The Rio Tinto Mine Site. The Rio Tinto Mine Site is an historic underground copper mine located near Mountain City, Nevada, where tailings were placed in Mill Creek, a tributary to the Owyhee River. Site investigation and remediation work is being conducted in accordance with a Consent Order dated September 14, 2001 between the NDEP and the RTWG composed of the Company, Atlantic Richfield Company, Teck Cominco American Incorporated and E. I. duPont de Nemours and Company. The Consent Order provides for technical review by the U.S. Department of the Interior Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, U.S. Department of Agriculture Forest Service, the NDEP and the Shoshone-Paiute Tribe of the Duck Valley Reservation (collectively, "Rio Tinto Trustees"). In recognition of the potential for an NRD claim, the parties actively pursued a global settlement that would include the EPA and encompass both the remedial action and the NRD issues.

The NDEP published a Record of Decision for the Rio Tinto Mine, which was signed on February 14, 2012 by the NDEP and the EPA. On September 27, 2012, the agencies subsequently issued a proposed Consent Decree, which was lodged with the U.S. District Court for the District of Nevada and opened for 30-day public comment on October 4, 2012. The Consent Decree subsequently was finalized on May 20, 2013. Under the terms of the Consent Decree, the RTWG has agreed to pay over $29 million in cleanup costs and natural resource damages to the site and surrounding area. The Company's share of the total settlement cost, which includes remedial action, insurance and other oversight costs, is approximately $12 million.

Under the terms of the Consent Decree, the RTWG will be responsible for removing mine tailings from Mill Creek, improving the creek to support redband trout and improving water quality in Mill Creek and the East Fork Owyhee River. Previous cleanup projects included filling in old mine shafts, grading and covering leach pads and tailings, and building diversion ditches. NDEP will oversee the cleanup, with input from EPA and monitoring from the nearby Shoshone-Paiute Tribes of Duck Valley.

Shareholder Derivative Lawsuits. In June and July 2014, alleged shareholders of Cliffs filed three derivative actions in the Cuyahoga County, Ohio, Court of Common Pleas asserting claims against certain current and former officers and directors of the Company. These actions, captioned Black v. Carrabba, et al., No. CV-14-827803, Asmussen v. Carrabba, et al. , No. CV-14-829259, and Williams, et al. v. Carrabba, et al. , No. CV-14-829499, allege that the individually named defendants violated their fiduciary duties to the Company by, among other things, disseminating false and misleading information regarding operations at our Bloom Lake mine in Québec, Canada, and the impact of those operations on our finances and outlook, including sustainability of the dividend, failing to maintain internal controls, and failing to appropriately oversee and manage the Company. The complaints assert additional claims for unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The complaints seek damages, restitution, and equitable relief against the individually named defendants and in favor of the Company, along with costs of suit and attorneys' fees. These lawsuits have been referred to our insurance carriers. As these are derivative actions, we have been named only as a nominal defendant.

Southern Natural Gas Lawsuit: On July 23, 2014, Southern Natural Gas Company, L.L.C. filed a lawsuit in the Circuit Court of Jefferson County, Alabama (Case No. 68-CV-2014-900533.00) against the Company and others. The suit seeks to prevent coal mining activity underneath a gas pipeline at our Oak Grove property and to require defendants to pay the costs associated with relocating that pipeline. The suit seeks declaratory judgment, permanent injunctive relief and nuisance damages. The Circuit Court denied our motion to dismiss the complaint and we subsequently filed a petition for a writ of mandamus in the Alabama Supreme Court requesting that it direct the Circuit Court to dismiss the case for lack of subject matter jurisdiction. We filed a motion to stay discovery pending the Alabama Supreme Court's decision on the mandamus petition. Unless and until that motion is granted, discovery is ongoing in the Circuit Court. We also filed a Joinder of Additional Parties, including Kinder Morgan, Inc., and a Counterclaim, asserting breach or repudiation of easement agreements, interference with business relations, and slander of title.

Taconite MACT Compliance Review. EPA Region 5 issued Notices of Violation during the first quarter of 2014 to Empire, Tilden and United Taconite related to alleged historical violations of the Taconite MACT rule and certain elements of the respective state-issued Title V operating permits. Initial meetings were held with the EPA in the second quarter of 2014. While the matter has been referred to the DOJ for enforcement, the overall impact is not anticipated currently to have a material impact on our business.

Worldlink Arbitration. In October 2011, our wholly owned subsidiary, CQIM, along with Bloom Lake General Partner Limited and The Bloom Lake Iron Ore Mine Limited Partnership, instituted an arbitration claim against the Bloom Lake mine's former customer, Worldlink Resources Limited, for material and/or fundamental breaches of the parties' 2007 offtake agreement for the purchase and sale of iron concentrate produced at the Bloom Lake mine. Our subsidiaries filed the arbitration claim with the International Court of Arbitration of the International Chamber of Commerce pursuant to the dispute resolution provisions of the offtake agreement. Our subsidiaries terminated the offtake agreement with Worldlink in August 2011 due to Worldlink's failure to fulfill its obligations under the agreement and Worldlink's demand to renegotiate the price of the iron ore concentrate in spite of being party to a long-term offtake agreement. Our subsidiaries claimed damages for the breach of the offtake agreement in excess of $85 million and Worldlink counterclaimed for damages in excess of $100 million. In November 2014, the arbitrators decided in favor of Worldlink and awarded it damages in an amount of approximately $71 million as well as approximately $25 million in accrued interest from the date of termination of the offtake agreement in August 2011 and arbitration costs. This judgment has been included in the CCAA filing of the Bloom Lake Group and will be treated as an unsecured claim.

Item 4. *Mine Safety Disclosures*

We are committed to protecting the occupational health and well-being of each of our employees. Safety is one of our core values, and we strive to ensure that safe production is the first priority for all employees. Our internal objective is to achieve zero injuries and incidents across the Company by focusing on proactively identifying needed prevention activities, establishing standards and evaluating performance to mitigate any potential loss to people, equipment, production and the environment. We have implemented intensive employee training that is geared toward maintaining a high level of awareness and knowledge of safety and health issues in the work environment through the development and coordination of requisite information, skills and attitudes. We believe that through these policies, we have developed an effective safety management system.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, the required mine safety results regarding certain mining safety and health matters for each of our mine locations that are covered under the scope of the Dodd-Frank Act are included in Exhibit 95 of *Item 15. Exhibits and Financial Statement Schedules* of this Annual Report on Form 10-K.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Stock Exchange Information

Our common shares (ticker symbol CLF) are listed on the NYSE.

Common Share Price Performance and Dividends

The following table sets forth, for the periods indicated, the high and low sales prices per common share as reported on the NYSE and the dividends declared per common share:

	2014			2013		
	High	**Low**	**Dividends**	High	Low	Dividends
First Quarter	$ 26.63	$ 17.40	**$ 0.15**	$ 40.40	$ 17.95	**$ 0.15**
Second Quarter	21.25	13.60	**0.15**	23.75	15.50	**0.15**
Third Quarter	18.41	10.19	**0.15**	25.95	15.41	**0.15**
Fourth Quarter	11.70	5.63	**0.15**	28.98	19.88	**0.15**
Year	26.63	5.63	**$ 0.60**	40.40	15.41	**$ 0.60**

At February 23, 2015, we had 1,312 shareholders of record.

On January 22, 2015, we amended the Amended and Restated Multicurrency Credit Agreement (Amendment No. 6) among Cliffs Natural Resources Inc. and various lenders dated August 11, 2011 (as further amended by Amendment No. 1 as of October 16, 2012, Amendment No. 2 as of February 8, 2013, Amendment No. 3 as of June 30, 2014, Amendment No. 4 as of September 9, 2014 and Amendment No. 5 as of October 24, 2014), or revolving credit agreement, to effect the following, among other items:

- a reduction of the permitted amount of quarterly dividends on our common shares to not more than $0.01 per share in any fiscal quarter.

On January 26, 2015, we announced that our Board of Directors had decided to eliminate the quarterly dividend of $0.15 per share on our common shares. The decision is applicable to the first quarter of 2015 and all subsequent quarters. The elimination of the common share dividend provides us with additional free cash flow of approximately $92 million annually, which we intend to use for further debt reduction. We see accelerated debt reduction as a more effective means of protecting our shareholders than continuing to pay a common share dividend.

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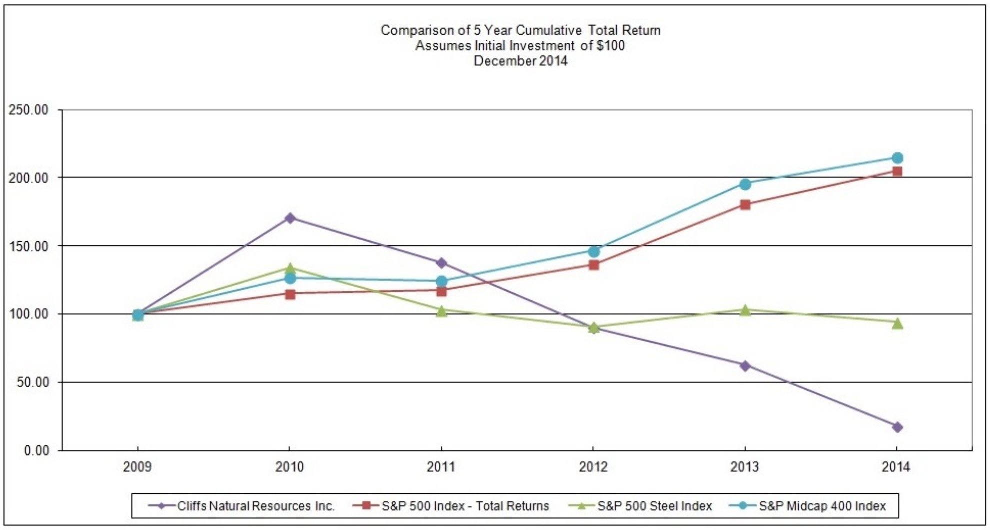
Shareholder Return Performance

The following graph shows changes over the past five-year period in the value of $100 invested in: (1) Cliffs' common shares; (2) S&P 500 Stock Index; (3) S&P 500 Steel Group Index; and (4) S&P Midcap 400 Index. The values of each investment are based on price change plus reinvestment of all dividends reported to shareholders.



		2009	2010	2011	2012	2013	2014
Cliffs Natural Resources Inc.	Return %		70.69	-19.24	-34.74	-30.37	**-71.69**
	Cum $	100.00	170.69	137.85	89.97	62.65	**17.74**
S&P 500 Index - Total Returns	Return %		15.07	2.11	16.00	32.39	**13.69**
	Cum $	100.00	115.07	117.50	136.30	180.44	**205.14**
S&P 500 Steel Index	Return %		33.86	-23.01	-11.84	13.86	**-9.06**
	Cum $	100.00	133.86	103.06	90.86	103.45	**94.08**
S&P Midcap 400 Index	Return %		26.64	-1.74	17.86	33.50	**9.77**
	Cum $	100.00	126.64	124.43	146.66	195.79	**214.92**

Issuer Purchases of Equity Securities

The following table presents information with respect to repurchases by the Company of our common shares during the periods indicated.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased [(1)]	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet be Purchased Under the Plans or Programs [(2)]
October 1 - 31, 2014	—	$ —	—	$200,000,000
November 1 - 30, 2014	5,792	$ 10.73	—	$200,000,000
December 1 - 31, 2014	3,119	$ 6.71	—	$200,000,000
Total	**8,911**	**$ 9.32**	**—**	**$200,000,000**

(1) These shares were delivered to us by employees to satisfy tax withholding obligations due upon the vesting or payment of stock awards or scheduled distributions from our VNQDC Plan.

(2) On August 25, 2014, the Board of Directors authorized a new share repurchase plan pursuant to which we may buy back our outstanding common shares in the open market or in private negotiated transactions up to a maximum of $200 million. No shares have been purchased through December 31, 2014. The authorization is active until December 31, 2015.

Item 6. ***Selected Financial Data***

Summary of Financial and Other Statistical Data - Cliffs Natural Resources Inc. and Subsidiaries

	2014 (g)	2013 (f)	2012 (d)	2011 (c)	2010 (b)
Financial data (in millions, except per share amounts) *					
Revenue from product sales and services	**$ 4,623.7**	$ 5,691.4	$ 5,872.7	$ 6,563.9	$ 4,483.8
Cost of goods sold and operating expenses	**(4,172.3)**	(4,542.1)	(4,700.6)	(3,953.0)	(3,025.1)
Other operating expense	**(9,896.7)**	(478.3)	(1,480.9)	(314.1)	(225.9)
Operating income (loss)	**(9,445.3)**	671.0	(308.8)	2,296.8	1,232.8
Income (loss) from continuing operations	**(8,311.6)**	359.8	(1,162.5)	1,792.5	997.4
Income and gain on sale from discontinued operations, net of tax	**—**	2.0	35.9	20.1	22.5
Net income (loss)	**(8,311.6)**	361.8	(1,126.6)	1,812.6	1,019.9
Loss (income) attributable to noncontrolling interest	**1,087.4**	51.7	227.2	(193.5)	—
Net income (loss) attributable to Cliffs shareholders	**(7,224.2)**	413.5	(899.4)	1,619.1	1,019.9
Preferred stock dividends	**(51.2)**	(48.7)	—	—	—
Income (loss) attributable to Cliffs common shareholders	**$ (7,275.4)**	$ 364.8	$ (899.4)	$ 1,619.1	$ 1,019.9
Earnings (loss) per common share attributable to					
Cliffs shareholders - basic					
Continuing operations	**$ (47.52)**	$ 2.39	$ (6.57)	$ 11.41	$ 7.37
Discontinued operations	**—**	0.01	0.25	0.14	0.17
Earnings (loss) per common share attributable to Cliffs shareholders - basic	**$ (47.52)**	$ 2.40	$ (6.32)	$ 11.55	$ 7.54
Earnings (loss) per common share attributable to					
Cliffs shareholders - diluted					
Continuing operations	**$ (47.52)**	$ 2.36	$ (6.57)	$ 11.34	$ 7.32
Discontinued operations	**—**	0.01	0.25	0.14	0.17
Earnings (loss) per common share attributable to Cliffs shareholders - diluted	**$ (47.52)**	$ 2.37	$ (6.32)	$ 11.48	$ 7.49
Total assets	**$ 3,164.0**	$ 13,121.9	$ 13,574.9	$ 14,541.7	$ 7,778.2
Long-term debt obligations (including capital leases)	**$ 3,055.1**	$ 3,189.5	$ 4,196.3	$ 3,821.5	$ 1,881.3
Net cash from operating activities	**$ 358.9**	$ 1,145.9	$ 514.5	$ 2,288.0	$ 1,320.0
Distributions to preferred shareholders cash dividends (e)					
- Per depositary share	**$ 1.75**	$ 1.66	—	—	—
- Total	**$ 51.2**	$ 48.7	—	—	—
Distributions to common shareholders cash dividends (a)					
- Per share	**$ 0.60**	$ 0.60	$ 2.16	$ 0.84	$ 0.51
- Total	**$ 92.5**	$ 91.9	$ 307.2	$ 118.9	$ 68.9
Repurchases of common shares	**—**	—	—	$ 289.8	—
Common shares outstanding - basic (millions)					
- Average for year	**153.1**	151.7	142.4	140.2	135.3
- At year-end	**153.2**	153.1	142.5	142.0	135.5
Iron ore and coal production and sales statistics					
(tons in millions - U.S. Iron Ore and North American Coal; metric tons in millions - Asia Pacific Iron Ore and Eastern Canadian Iron Ore)					
Production tonnage - U.S. Iron Ore	**29.7**	27.2	29.5	31.0	28.1
- Asia Pacific Iron Ore	**11.4**	11.1	11.3	8.9	9.3
- North American Coal	**7.5**	7.2	6.4	5.0	3.2
- Eastern Canadian Iron Ore	**6.2**	8.7	8.5	6.9	3.9
Production tonnage - (Cliffs' share)					
- U.S. Iron Ore	**22.4**	20.3	22.0	23.7	21.5
- Eastern Canadian Iron Ore	**6.2**	8.7	8.5	6.9	3.9
Sales tonnage - U.S. Iron Ore	**21.8**	21.3	21.6	24.2	23.0
- Asia Pacific Iron Ore	**11.5**	11.0	11.7	8.6	9.3
- North American Coal	**7.4**	7.3	6.5	4.2	3.3
- Eastern Canadian Iron Ore	**7.2**	8.6	8.9	7.4	3.3

* On July 10, 2012, we entered into a definitive share and asset sale agreement to sell our 45 percent economic interest in the Sonoma joint venture coal mine located in Queensland, Australia. Additionally, on September 27, 2011, we announced our plans to cease and dispose of the operations at the renewaFUEL biomass production facility in Michigan. On January 4, 2012, we entered into an agreement to sell the renewaFUEL assets to RNFL Acquisition LLC. The results of operations of the Sonoma joint venture and renewaFUEL operations are reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented.

(a) On May 11, 2010, our Board of Directors increased our quarterly common share dividend from $0.0875 to $0.14 per share. The increased cash dividend was paid on June 1, 2010, September 1, 2010 and December 1, 2010 to shareholders on record as of May 14, 2010, August 13, 2010 and November 19, 2010, respectively. In addition, the increased cash dividend was paid on March 1, 2011 and June 1, 2011 to shareholders on record as of February 15, 2011 and April 29, 2011, respectively. On July 12, 2011, our Board of Directors increased the quarterly common share dividend by 100 percent to $0.28 per share. The increased cash dividend was paid on September 1, 2011, December 1, 2011 and March 1, 2012 to our shareholders on record as of the close of business on August 15, 2011, November 18, 2011 and February 15, 2012, respectively. On March 13, 2012, our Board of Directors increased the quarterly common share dividend by 123 percent to $0.625 per share. The increased cash dividend was paid on June 1, 2012, August 31, 2012 and December 3, 2012 to our shareholders on record as of April 27, 2012, August 15, 2012 and November 23, 2012, respectively. On February 11, 2013, our Board of Directors approved a reduction to our quarterly cash dividend rate by 76 percent to $0.15 per share. The decreased dividend of $0.15 per share was paid on March 1, 2013, June 3, 2013, September 3, 2013 and December 2, 2013 to our common shareholders of record as of the close of business on February 22, 2013, May 17, 2013, August 15, 2013 and November 22, 2013, respectively. Additionally, in 2014, the dividend of $0.15 per share was paid on March 3, 2014, June 3, 2014, September 2, 2014 and December 1, 2014 to our common shareholders of record as of the close of business on February 21, 2014, May 23, 2014, August 15, 2014 and November 15, 2014, respectively.

(b) On January 27, 2010, we acquired all of the remaining outstanding shares of Freewest, including its interest in the Ring of Fire properties in Northern Ontario Canada. On February 1, 2010, we acquired entities from our former partners that held their respective interests in Wabush, thereby increasing our ownership interest from 26.8 percent to 100 percent. On July 30, 2010, we acquired all of the coal operations of privately owned INR, and since that date, the operations acquired from INR have been conducted through our wholly owned subsidiary known as CLCC. Results for 2010 include Freewest's, Wabush's and CLCC's results since the respective acquisition dates. As a result of acquiring the remaining ownership interest in Freewest and Wabush, our 2010 results were impacted by realized gains of $38.6 million primarily related to the increase in fair value of our previous ownership interest in each investment held prior to the business acquisition.

In December 2010, we completed a legal entity restructuring that resulted in a change to deferred tax liabilities of $78.0 million on certain foreign investments to a deferred tax asset of $9.4 million for tax basis in excess of book basis on foreign investments as of December 31, 2010. A valuation allowance of $9.4 million was recorded against this asset due to the uncertainty of realization. The deferred tax changes were recognized as a reduction to our income tax provision in 2010.

(c) On May 12, 2011, we completed our acquisition of Consolidated Thompson by acquiring all of the outstanding common shares of Consolidated Thompson for C$17.25 per share in an all-cash transaction including total debt less cash. Results for 2011 include the results for Consolidated Thompson since the acquisition date.

In 2011, during our annual goodwill impairment test in the fourth quarter, a goodwill impairment charge of $27.8 million was recorded for our CLCC reporting unit, within the North American Coal operating segment, impacting Other operating expense.

(d) Upon performing our annual goodwill impairment test in the fourth quarter of 2012, goodwill impairment charges of $997.3 million and $2.7 million were recorded for our CQIM and Wabush reporting units, respectively, both within the Eastern Canadian Iron Ore operating segment. We also recorded an impairment charge of $49.9 million related to our Eastern Canadian Iron Ore operations to reduce those assets to their estimated fair value as of December 31, 2012 due to the idling of the pelletizing facility at Pointe Noire. All of these charges impacted Other operating expense.

As a result of the approval for the sale of our 30 percent interest in Amapá, an impairment charge of $365.4 million was recorded through Equity income (loss) from ventures for the year ended December 31, 2012.

(e) On March 20, 2013, our Board of Directors declared a cash dividend of $13.6111 per preferred share, which is equivalent to approximately $0.34 per depositary share. The cash dividend was paid on May 1, 2013 to our preferred shareholders of record as of the close of business on April 15, 2013. On May 7, 2013, September 9, 2013, and November 11, 2013, our Board of Directors declared a quarterly cash dividend of $17.50 per preferred share, which is equivalent to approximately $0.44 per depositary share. The cash dividends were paid on August 1, 2013, November 1, 2013, and February 3, 2014 to our preferred shareholders of record as of the close of business on July 15, 2013, October 15, 2013, and January 15, 2014, respectively. The cash dividend was paid on May 1, 2013 to our preferred shareholders of record as of the close of business on April 15, 2013. On February 11, 2014, May 13, 2014, and September 8, 2014, our Board of Directors declared a quarterly cash dividend of $17.50 per preferred share, which is equivalent to approximately $0.44 per depositary share. The cash dividends were paid on May 1, 2014, August 1, 2014 and November 3, 2014, to our preferred shareholders of record as of the close of business on April 15, 2014, July 15, 2014, and October 15, 2014, respectively. On November 19, 2014, our Board of Directors declared a quarterly cash dividend of $17.50 per preferred share, which is equivalent to approximately $0.44 per depositary share. The cash dividend of $12.8 million will be paid on February 2, 2015 to our preferred shareholders of record as of the close of business on January 15, 2015.

(f) Upon performing our annual goodwill impairment test in the fourth quarter of 2013, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. We also recorded other long-lived asset impairment charges of $169.9 million, of which $154.6 million relates to our Wabush reporting unit within our Eastern Canadian Iron Ore operating segment to reduce those assets to their estimated fair value as of December 31, 2013. All of these charges impacted *Other operating expense.*

(g) During 2014, we recorded an impairment of goodwill and other long-lived assets of $73.5 million and $8,956.4 million, respectively. The goodwill impairment charge of $73.5 million related to our Asia Pacific Iron Ore reporting unit. The other long-lived asset impairment charges of $8,956.4 million related to our Wabush operation and Bloom Lake operation within our Eastern Canadian Iron Ore operating segment, our Asia Pacific Iron Ore operating segment and our CLCC thermal operation, Oak Grove operation and Pinnacle operation within our North American Coal operating segment, along with impairments charged to reporting units within our Other reportable segments. The impairment charges were primarily a result of changes in life-of-mine cash flows due to declining pricing for both global iron ore and low-volatile metallurgical coal, which impacts our estimate of long-term pricing, along with changes in strategic focus including exploratory phases of possible divestiture of the operations as the new Chief Operating Decision Maker views Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys as non-core assets. The CLCC assets were sold in the fourth quarter of 2014 on December 31, 2014, resulting in a loss on sale of $419.6 million.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity and other factors that may affect our future results. The following discussion should be read in conjunction with the Consolidated Financial Statements and related notes that appear elsewhere in this document.

Industry Overview

The key driver of our business is demand for steelmaking raw materials from U.S. steelmakers. In 2014, the U.S. produced approximately 88 million metric tons of crude steel, making the U.S. the third largest producer in the world after China and Japan. This represents an approximate 2 percent increase in U.S. crude steel production when compared to 2013. U.S. total steel capacity utilization was approximately 77 percent in 2014 and 2013. Additionally, in 2014, China produced approximately 823 million metric tons of crude steel, or approximately 50 percent of total global crude steel production. These figures represent an approximate 1 percent increase in Chinese crude steel production when compared to 2013. Average global total steel capacity utilization was about 77 percent in 2014, an approximate 2 percent decrease from 2013. Throughout 2014, global crude steel production grew about 1 percent compared to 2013.

We expect economic growth in the U.S. to continue in 2015, and correspondingly expect steel demand to remain at healthy levels. While the industry demand will be supported by an improving housing market and a strengthened automotive sector, demand from energy companies is expected to decrease as oil prices remain at depressed levels. Additionally, the steel industry should face continued pressure from surging imports, which reached record levels in 2014, as the strength of the U.S. dollar continues to increase and continued oversupply of the global steel industry. In China, demand for steel should increase slightly compared to 2014, although at a rate far below growth percentages recorded earlier in the decade. In 2014, the increase in seaborne supply of iron ore was expected by many, but the slowdown in demand from Chinese end markets was unexpected and negatively impacted spot prices for iron ore. We expect seaborne iron ore prices to remain pressured unless there are vast structural changes to the supply/demand picture, including increased Chinese demand or iron ore capacity cuts.

The global price of iron ore is influenced significantly by the worldwide supply of iron ore and by Chinese demand. The global supply of iron ore continues to increase, which has put downward pressure on current spot pricing. However, the impact of this volatility on our U.S. Iron Ore revenues is dampened because the pricing in our long-term contracts are mostly structured to minimize the short-term impact of the fluctuations in the seaborne iron ore price.

As a result of the long-term contracts, as discussed above, our U.S. Iron Ore revenues only experienced realized revenue rate decreases of 12 percent and 9 percent for the three months and year ended December 31, 2014, respectively, when compared to the comparable prior year periods versus the much higher decrease in Platts 62 percent Fe fines spot price. The Platts 62 percent Fe fines spot price decreased 45 percent to an average price of $74 per ton for the three months ended December 31, 2014 compared to the respective quarter of 2013. In comparison, the year to date Platts 62 percent Fe fines spot pricing also has decreased 29 percent to an average price of $97 per ton during the year ended December 31, 2014. These large decreases in Platts 62 percent Fe fines spot price were driven by insufficient growth in Chinese demand to absorb the additional seaborne supply. The spot price volatility impacts our realized revenue rates, particularly in our Asia Pacific Iron Ore and Eastern Canadian Iron Ore business segments because their contracts correlate heavily to world market spot pricing.

The metallurgical coal market continues to be in an oversupplied position due to increased supply from Australian producers. Those producers, benefiting from a devaluated local currency, are very competitive in European and South American markets. Recent reductions in global coal supply have yet to make an impact on pricing.

Consistent with the above, the quarterly benchmark price for premium low-volatile hard coking coal between Australian metallurgical coal suppliers and Japanese and Korean consumers decreased 21 percent to a full-year average of $126 per metric ton in 2014 versus the 2013 full-year average of $159 per metric ton. The benchmark pricing has remained relatively flat from the second quarter of 2014 to the fourth quarter of 2014 at approximately $120 per metric ton.

Our consolidated revenues for the years ended December 31, 2014 and 2013 were $4.6 billion and $5.7 billion, respectively, with net loss from continuing operations per diluted share of $47.52 and net income from continuing operations per diluted share of $2.36, respectively. Net income in 2014 was impacted primarily by $9.0 billion of long-lived asset impairment recorded in the second half of 2014 along with $73.5 million of goodwill impairment recorded in the third quarter of 2014. Also, net income in 2014 was impacted by lower market pricing for our products, which decreased product revenues by $1.0 billion for the year ended December 31, 2014 when compared to 2013. Results for the year were also impacted by the $419.6 million loss on the sale of our CLCC assets in 2014. The CLCC assets were sold on December 31, 2014. Additionally, results for the year ended December 31, 2014 were impacted negatively by $96.3 million related to a litigation judgment against the Bloom Lake Group , $92.6 million of minimum shipment penalties and $90.7 million of Wabush idle costs. Net income in 2013 was impacted negatively by $154.6 million of other long-lived asset impairment charges related to our Wabush operations within our Eastern Canadian Iron Ore operating segment, an $80.9 million goodwill impairment charge related to our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment and reported in our Other reportable segments and a $67.6 million asset impairment charge related to our investment in Amapá. This was offset by lower exploration spending in 2013, primarily related to the Chromite project.

Strategy

Re-focusing the Company on our Core U.S. Iron Ore Business

We have shifted from a diversification based strategy to one that focuses on strengthening our U.S. Iron Ore operations. We are the market-leading iron ore producer in the U.S., supplying differentiated iron ore pellets under long-term contracts, some of which begin to expire in the end of 2016, to the largest U.S. steel producers. Pricing protections and long-term supply, certainty provided by our existing contracts and our low-cost operating profile positions U.S. Iron Ore as our most stable and profitable business. We expect to continue to strengthen U.S. Iron Ore cost operating profile through our operational expertise and disciplined capital allocation policies.

Reviewing All Other Businesses for Either Optimization, Divestiture or Shutdown

As an extension of our re-focused U.S. Iron Ore strategy, we continue to consider further divestitures of Eastern Canadian Iron Ore, Asia Pacific Iron Ore and North American Coal businesses. We believe the assets from these non-core segments have value and will only consummate a transaction where we believe the price fairly and adequately represents such value. For more information regarding the status of our divestiture of our Eastern Canadian Iron Ore business, see "Recent Developments" below.

Asia Pacific Iron Ore is a well-recognized and reliable supplier to steelmakers in Asia. To date, Asia Pacific Iron Ore has been a steady cash flow contributor, benefiting from a premium price for its high lump iron ore mix and minimal required capital expenditures to maintain production. We look to operate our North American Coal business at breakeven levels of EBITDA generation in 2015 given the current environment for high quality metallurgical coal. We are focused on limiting capital expenditures while continuing to meet environmental, safety and permission to operate requirements.

Maintaining Discipline on Costs and Capital Spending and Improving our Financial Flexibility

We believe our ability to execute our strategy is dependent on our financial position, balance sheet strength and financial flexibility to manage through volatility in commodity prices. We have developed a highly disciplined financial and capital expenditure plan with a focus on improving our cost profile and increasing long-term profitability. We are focused on sizing our organization to better fit our new strategic direction and streamlining our businesses' support functions by eliminating duplication. Our capital allocation plan is focused on strengthening our core U.S. Iron Ore operations to promote greater free cash flow generation.

Competitive Strengths

Highly Stable and Resilient U.S. Iron Ore Operations

Our U.S. Iron Ore segment is the core focus of our business strategy. The U.S. Iron Ore segment is the primary contributor to our consolidated results, generating 54 percent and 89 percent of consolidated revenue and Adjusted EBITDA, respectively, for the year ended December 31, 2014. U.S. Iron Ore produces differentiated iron ore pellets that are customized for use in customers' blast furnaces as part of the steelmaking process. The grades of pellets currently delivered to each customer are based on that customer's preferences, which depend in part on the characteristics of the customer's blast furnace operation. We believe our long history of supplying customized pellets to the U.S. steel producers has resulted in a co-dependency between us and our customers. This co-dependency has positioned Cliffs to claim a substantial portion of the total U.S. iron ore market. Based on Cliffs' equity ownership in its U.S. mines, Cliffs' share of the annual rated production capacity is 25.5 million tons, representing 44 percent of total U.S. annual pellet capacity. Long-lived assets with an average mine life of approximately 30 years provide the opportunity to maintain our significant market position well into the future.

We believe U.S. Iron Ore is uniquely positioned in the global iron ore market due to its reduced exposure to seaborne iron ore pricing. More than half of U.S. Iron Ore production is sold through stable long-term contracts that are structured with formula-based pricing that mitigates the impact of seaborne price volatility on our business. Additionally, certain of our supply agreements have a provision that limits the amount of price increases or decreases in any given year. The impact of the pricing protections from our contracts is clearly evidenced in our U.S. Iron Ore financial performance. U.S. Iron Ore's realized revenue rate decreased 12 percent and 9 percent for the three months and year ended December 31, 2014, respectively, compared to a 45 percent and 29 percent decline in the Platts 62 percent Fe fines spot price over the same periods.

In addition, we maintain materially lower costs compared to our competition as a result of our proximity to U.S. steelmaking operations. Our costs are lower as a result of inherent transportation advantages associated with our mine locations near the Great Lakes which allows for transportation via railroads and loading ports. U.S. Iron Ore mines also benefit from on-site pellet production and ore production facilities located a short distance from the mines. These advantages translated to a cash production costs in the three months and year ended December 31, 2014 of $59 per ton and $64 per ton, respectively, which included the cost to mine, concentrate and pelletize, certain transportation costs and site administration costs.

Competitive Asia Pacific Iron Ore Operations

Although our annual production tonnage is substantially less than our competitors in the seaborne market, the Asia Pacific Iron Ore business maintains a competitive position with the major Australian iron ore producers. We produce a product mix of approximately 52 percent lump ore and 48 percent fines, which is a significantly higher lump mix than the major producers in Australia. This lump ore currently commands a premium in the seaborne market over iron ore fines.

Further, our Asia Pacific Iron Ore segment is a cost competitive producer and requires modest ongoing sustaining capital expenditures to continue our operations. Cash production costs during the three months and year ended December 31, 2014, were $43 per ton and $49 per ton, respectively. Over the remaining life of the mine, the capital expenditure requirements are estimated to be approximately $50 million or $1 per ton.

Recent Developments

Eastern Canadian Iron Ore

Our Wabush Scully mine in Newfoundland and Labrador was idled by the end of the first quarter of 2014 and subsequently began to commence permanent closure in the fourth quarter of 2014. With costs unsustainably high, it was not economically viable to continue running this operation. Approximately 500 employees at both the Wabush Scully mine and the Pointe Noire rail and port operation in Québec were impacted by these actions.

On November 19, 2014, we announced that we were pursuing exit options for our Eastern Canadian Iron Ore operations.

During the fourth quarter of 2014, we disclosed that, despite our cost-cutting progress at our Bloom Lake mine, we concluded that Phase I alone was not economically feasible based on our current operating plans. For the Bloom Lake mine to be profitable, we concluded that Phase II of the Bloom Lake mine must be developed to reduce the overall cash cost of operations. We could only develop Phase II of the Bloom Lake mine if we had been able to secure new equity partners to share in the capital costs, which we estimated to be approximately $1.2 billion. As the new equity partners were unable to commit within the short timeframe we required, we determined that the Phase II expansion of the Bloom Lake mine was no longer a viable option for us and we shifted our focus to considering available possibilities and executing an exit option for Eastern Canadian Iron Ore operations that minimized the cash outflows and associated liabilities. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

On January 27, 2015, we announced that the Bloom Lake Group commenced restructuring proceedings in Montreal, Québec, under the CCAA. The Bloom Lake Group had recently suspended operations and for several months we were exploring options to sell certain of our Canadian assets, among other initiatives. The decision to seek protection under the CCAA was based on a thorough legal and financial analysis of the options available to the Bloom Lake Group. The Bloom Lake Group was no longer generating any revenues and was not able to meet its obligations as they came due. The initial CCAA order addressed the Bloom Lake Group's immediate liquidity issues and permits the Bloom Lake Group to preserve and protect its assets for the benefit of all stakeholders while restructuring and sale options are explored. As part of the CCAA process, the Court has appointed FTI Consulting Canada Inc. as the Monitor. The Monitor's role in the CCAA process is to monitor the activities of the Bloom Lake Group and provide assistance to the Bloom Lake Group and its stakeholders in respect of the CCAA process.

Worldlink Arbitration

In October 2011, our wholly owned subsidiary, CQIM, along with Bloom Lake General Partner Limited and The Bloom Lake Iron Ore Mine Limited Partnership, instituted an arbitration claim against the Bloom Lake mine's former customer, Worldlink Resources Limited, for material and/or fundamental breaches of the parties' 2007 offtake agreement for the purchase and sale of iron concentrate produced at the Bloom Lake mine. Our subsidiaries filed the arbitration claim with the International Court of Arbitration of the International Chamber of Commerce pursuant to the dispute resolution provisions of the offtake agreement. Our subsidiaries terminated the offtake agreement with Worldlink in August 2011 due to Worldlink's failure to fulfill its obligations under the agreement and Worldlink's demand to renegotiate the price of the iron ore concentrate in spite of being party to a long-term offtake agreement. Our subsidiaries claimed damages for the breach of the offtake agreement in excess of $85 million, and Worldlink counterclaimed for damages in excess of $100 million. In November 2014, the arbitrators decided in favor of Worldlink and awarded it damages in an amount of approximately $71 million as well as approximately $25 million in accrued interest from the date of termination of the offtake agreement in August 2011 and arbitration costs. This judgment has been included in the CCAA filing of the Bloom Lake and will be treated as an unsecured claim.

CLCC

On December 2, 2014, we entered into a definitive agreement to sell our CLCC assets in southern West Virginia to Coronado Coal II, LLC for $174 million in cash as well as the assumption of certain liabilities, of which $155 million has been collected as of December 31, 2014 . The sale closed on December 31, 2014.

The CLCC assets, which we acquired in 2010, included two underground high-volatile metallurgical coal mines, Powellton No. 1 and Lower War Eagle, and the Toney Fork No. 2 surface thermal coal mine. The facilities included a coal preparation and processing plant and a train batch-weight load-out facility with access to rail. In 2014, the CLCC operations produced 1.5 million tons of metallurgical coal out of the 6.6 million total tons of metallurgical coal North American Coal produced for us, and the CLCC operations also produced 0.9 million tons of thermal coal. In 2013, the CLCC operations produced 1.5 million tons of metallurgical coal out of the 6.6 million total tons of the metallurgical coal North American Coal produced for us, and the CLCC operations also produced 0.6 million tons of thermal coal.

We recorded a loss on the sale of CLCC assets of approximately $419.6 million on a pre-tax basis in the fourth quarter of 2014.

Share Buyback

On August 25, 2014, the Board of Directors authorized us to buy back our outstanding common shares in the open market or in private negotiated transactions up to a maximum of $200 million. At that time, we obtained approval from our bank group to ensure the buyback program could be effectively implemented in a timely manner. The Company is not obligated to make any purchases under the buyback program and it may be suspended or discontinued by the Company at any time. No shares have been purchased through December 31, 2014. The authorization is active until December 31, 2015.

Credit Facility Amendments

On October 24, 2014, we entered into an agreement to amend our existing revolving credit agreement (Amendment No. 5). The amended terms remove the current maximum balance sheet leverage ratio of debt to capitalization of less than 45 percent, which was a covenant introduced in June 2014, and replaced that covenant with a maximum leverage ratio covenant of secured debt to EBITDA that is not to exceed 3.5 times. The minimum interest coverage ratio requirement of 3.5 times was subsequently reduced to 2.0 times upon completion of certain collateral actions within 60 days of the execution of the amendment. The collateral requirements were satisfied as of December 23, 2014. The amendment also reduced the size of the existing facility from $1.250 billion to $1.125 billion and included a security agreement.

On January 22, 2015, we entered into an agreement to further amend our existing revolving credit agreement (Amendment No. 6). The further amended terms waived the event of default related to a CCAA filing for Canadian entities. The CCAA filing for our Bloom Lake Group was made subsequent to the effectiveness of this amendment. The amendment also reduced the size of the existing facility from $1.125 billion to $900 million, with a further reduction to $750 million on May 31, 2015.

Each of these amendments to our credit agreement facilitate financial flexibility for us to execute our strategy and provide us a consistent source of liquidity. Refer to NOTE 5 - DEBT AND CREDIT FACILITIES and NOTE 21 - SUBSEQUENT EVENTS for further details of the amendments.

Debt

During the fourth quarter, we announced a tender offer to purchase our public debt at discounts, as well as a new secured notes offering, driven by our desire to pay down debt. However, the tender offers were terminated because our debt refinancing was postponed due to perceived adverse market conditions. After the postponement, we used our liquidity to execute the repurchase of our senior notes in the open market. During the fourth quarter 2014, we were able to pay down $300 million in aggregate principal in total debt less cash. By the end of the year, we had total debt less cash of $2.7 billion, with total debt of $3.0 billion, zero drawn on our revolving credit facility, and $291.0 million of cash and cash equivalents. In January 2015, we further reduced total debt by approximately $159 million through senior note repurchases in the open market with approximately $106 million of net proceeds from the sale of CLCC and cash from operations.

Business Segments

Our Company's operations are organized and managed according to product category and geographic location: U.S. Iron Ore, Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore.

Results of Operations – Consolidated

2014 Compared to 2013

The following is a summary of our consolidated results of operations for the years ended December 31, 2014 and 2013:

	(In Millions)		
	2014	2013	Variance Favorable/ (Unfavorable)
Revenues from product sales and services	**$ 4,623.7**	$ 5,691.4	$ (1,067.7)
Cost of goods sold and operating expenses	**(4,172.3)**	(4,542.1)	369.8
Sales margin	**$ 451.4**	$ 1,149.3	$ (697.9)
Sales margin %	**9.8%**	20.2%	(10.4)%

Revenues from Product Sales and Services

Sales revenue for the year ended December 31, 2014 decreased $1,067.7 million, or 18.8 percent, from 2013. The decrease in sales revenue during 2014 compared to 2013 was primarily attributable to the decrease in market pricing for our products, which impacted revenues by $1.0 billion for the year ended December 31, 2014.

Changes in world market pricing impacts our revenues each year. During 2014, iron ore revenues were impacted primarily by the decrease in the Platts 62 percent Fe fines spot price, which declined 28.5 percent to an average price of $97 per ton, resulting in decreased revenues of $830.8 million, excluding the impact of Wabush tons sold. The decrease in our realized revenue rates during 2014 compared to 2013 was 9.5 percent, 32.8 percent and 26.7 percent for our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore operations, respectively. Also, the decision to idle Wabush impacted the period-over-period revenues negatively by $288.0 million. Furthermore, during 2014, our North American Coal business segment experienced continued downward pricing pressures, which negatively impacted revenues by $176.8 million and decreased our realized revenue rate by 23.6 percent. Partially offsetting these decreases was an increase in revenues period-over-period as a result of higher iron ore and coal sales volumes of $183.5 million for the year ended December 31, 2014.

Refer to "Results of Operations – Segment Information" for additional information regarding the specific factors that impacted revenue during the period.

Cost of Goods Sold and Operating Expenses

Cost of goods sold and operating expenses for the years ended December 31, 2014 and 2013 were $4,172.3 million and $4,542.1 million, respectively, a decrease of $369.8 million, or 8.1 percent year-over-year.

Cost of goods sold and operating expenses for the year ended December 31, 2014 decreased as costs were impacted positively as a result of the Wabush idle that occurred during the second quarter of 2014, which reduced costs by $304.4 million period-over-period. Operational efficiencies and cost cutting efforts across all of our business units have reduced costs for the year ended December 31, 2014 by $217.0 million. Also, as a result of favorable foreign exchange rates in 2014 versus 2013, we realized lower costs of $93.8 million. Partially offsetting these decreases were an increase in costs period-over-period as a result of higher iron ore and coal sales volumes of $141.6 million for the year ended December 31, 2014. Additionally, we incurred incrementally higher lower-of-cost-or-market inventory charges of $56.8 million for the year ended December 31, 2014, as a result of the continued downward pricing pressure.

Refer to "Results of Operations – Segment Information" for additional information regarding the specific factors that impacted our operating results during the period.

Other Operating Income (Expense)

The following is a summary of other operating income (expense) for the years ended December 31, 2014 and 2013:

	(In Millions)		
	2014	2013	Variance Favorable/ (Unfavorable)
Selling, general and administrative expenses	**$ (208.7)**	$ (231.6)	$ 22.9
Exploration costs	**(8.8)**	(59.0)	50.2
Impairment of goodwill and other long-lived assets	**(9,029.9)**	(250.8)	(8,779.1)
Gain (loss) on disposal of assets	**(423.0)**	16.7	(439.7)
Miscellaneous - net	**(226.3)**	46.4	(272.7)
	$ (9,896.7)	$ (478.3)	$ (9,418.4)

Selling, general and administrative expenses during the year ended December 31, 2014 decreased $22.9 million over 2013. The year ended December 31, 2014 was favorably impacted by $37.2 million for employment costs related to cost savings actions and reduced year-over-year expense of $10.5 million related to pension and other postemployment benefits. Offsetting these cost reductions was an increase in costs related to the proxy contest and the change in control of the majority of our Board of Directors. We incurred substantial costs associated with various advisors, including bankers, attorneys and others. Costs associated with these events were approximately $26.6 million for the year ended December 31, 2014.

Exploration costs decreased by $50.2 million during the year ended December 31, 2014 from 2013, primarily due to decreases in costs at our Ferroalloys operations and Global Exploration Group operations. Ferroalloys and the Global Exploration Group are reported within our Other reportable segments. Our Ferroalloys operating segment had cost decreases of $38.8 million in 2014 over 2013 due to the decision made in the fourth quarter of 2013 to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online. Our Global Exploration Group had cost decreases of $8.0 million in 2014 over 2013, due to lower overhead and professional services spend. In alignment with our capital allocation strategy, we anticipate minimal levels of exploration spending to continue in 2015 and beyond.

Impairment of goodwill and other long-lived assets were $9,029.9 million and $250.8 million during the years ended December 31, 2014 and 2013, respectively. During the year ended December 31, 2014, we recorded goodwill impairment of $73.5 million related to our Asia Pacific Iron Ore reporting unit. We also recorded other long-lived asset impairment charges of $8,956.4 million during 2014. The charges are related to our Wabush mine and Bloom Lake mine within our Eastern Canadian Iron Ore operating segment, our Asia Pacific Iron Ore operating segment and our CLCC thermal operation, which was sold during the fourth quarter of 2014, Oak Grove operation and Pinnacle operation within our North American Coal operating segment, along with impairments charged to reporting units within our *Other* reportable segments. The impairment charges were primarily a result of management determining that the carrying value of the asset groups may not be recoverable primarily due to long-term price forecasts as part of management's long-range planning process. Updated estimates of long-term prices for all products, specifically the Platts 62 percent Fe fines spot price, which particularly effects Eastern Canadian Iron Ore and Asia Pacific Iron Ore business segments because their contracts correlate heavily to world market spot pricing, and the benchmark price for premium low-volatile hard coking coal were lower than prior estimates. These estimates were updated based upon current market conditions, macro-economic factors influencing the balance of supply and demand for our products and expectations for future cost and capital expenditure requirements. Additionally, a new CEO, Lourenco Goncalves, was appointed by the Board of Directors in early August 2014 and subsequently identified as the CODM in accordance with ASC 280, Segment Reporting. The new CODM views Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys as non-core assets and has communicated plans to evaluate the business units for a change in strategy including possible divestiture. These factors, among other considerations utilized in the individual impairment assessments, indicate that the carrying value of the respective asset groups and Asia Pacific Iron Ore goodwill may not be recoverable. Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information.

During the fourth quarter of 2013, we continued to experience higher than expected production costs and operational inefficiencies at our Wabush operations within our Eastern Canadian Iron Ore operating segment that have resulted in continued declines in our profitability of that business, which represents an asset group for purposes of testing our long-lived assets for recoverability. Driven by the unsustainable high cost structure, which was not economically viable to continue running the operations, we announced on February 11, 2014, the decision to idle the production of our Wabush Scully mine by the end of the first quarter and began to implement the permanent closure plan for the mine . Upon completion of an impairment analysis, it was determined the fair value was less than the carrying value of the asset group, which resulted in an impairment of other long-lived assets of $154.6 million at December 31, 2013.

Additionally during the fourth quarter of 2013, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. Ferroalloys and the Global Exploration Group are reported within our Other reportable segments. The goodwill impairment charge was primarily a result of the decision to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online.

Net loss on disposal of assets was $ 423.0 million during the year ended December 31, 2014, compared to a net gain on disposal of assets of $ 16.7 million in 2013. The net loss on disposal of assets for 2014 was primarily attributable to the loss of $ 419.6 million incurred on the sale of our CLCC assets.

The following is a summary of Miscellaneous - net for the year ended December 31, 2014 and 2013:

	(In Millions)		
	2014	2013	Variance Favorable/ (Unfavorable)
Foreign exchange remeasurement	**$ 30.7**	$ 64.0	$ (33.3)
Litigation judgment	**(96.3)**	—	$ (96.3)
Minimum shipment penalties	**(92.6)**	(37.3)	(55.3)
Wabush idle costs	**(90.7)**	(7.4)	(83.3)
Other	**22.6**	27.1	(4.5)
	$ (226.3)	$ 46.4	$ (272.7)

Miscellaneous – net expense was unfavorable by $272.7 million during the year ended December 31, 2014 in comparison to 2013. The year ended December 31, 2014 was impacted negatively by $83.3 million as a result of our first quarter 2014 decision to idle and subsequently close the Wabush mine. These costs include idling and closure costs, employment-related expenditures and contract costs. During the year ended December 31, 2014, we incurred costs of $96.3 million related to an unfavorable litigation judgment in the Worldlink arbitration and $ 92.6 million for failure to meet minimum monthly shipment requirements. We recorded $36.4 million during the third quarter of 2014 related to minimum shipment penalties associated with the cancellation of the Wabush mine rail contract. The remaining increase in minimum shipment penalties were a result of the continued delay in the Bloom Lake Phase II expansion and idling of the Bloom Lake operations and subsequent transition to "care-and-maintenance" mode. The contract containing the minimum shipment penalties associated with the Bloom Lake mine has been included in the CCAA filing and will be treated as an unsecured claim. Additionally, for the year ended December 31, 2014, there was an unfavorable incremental impact of $33.3 million due to the change in foreign exchange re-measurement on short-term intercompany notes, Australian bank accounts that are denominated in U.S. dollars and certain monetary financial assets and liabilities, which are denominated in something other than the functional currency of the entity.

Other Income (Expense)

The following is a summary of other income (expense) for the years ended December 31, 2014 and 2013:

	(In Millions)		
	2014	2013	Variance Favorable/ (Unfavorable)
Interest expense, net	**(185.2)**	(179.1)	(6.1)
Other non-operating income (expense)	**26.8**	(2.6)	29.4
	$ (158.4)	$ (181.7)	$ 23.3

The increase in interest expense in 2014 compared to 2013 was attributable primarily to the change in borrowing capacity of our revolving credit facility which resulted in $3.7 million of unamortized debt issuance costs being expensed as of the effective date of the amendment. Refer to NOTE 5 - DEBT AND CREDIT FACILITIES for further information.

Other non-operating income increased by $29.4 million during the year ended December 31, 2014 in comparison to 2013. The increase in other non-operating income was mainly due to our repurchase of debt in the fourth quarter of 2014 that resulted in a $16.2 million gain on extinguishment of debt. Additionally, other non-operating income was impacted positively in the current period by $7.8 million of income related to the sale of our remaining shares in a marketable security as a decision was made to liquidate the asset in 2014.

Income Taxes

Our tax rate is affected by permanent items, such as depletion and the relative amount of income we earn in various foreign jurisdictions with tax rates that differ from the U.S. statutory rate. It also is affected by discrete items that may occur in any given period, but are not consistent from period to period. The following represents a summary of our tax provision and corresponding effective rates for the years ended December 31, 2014 and 2013:

	(In Millions)		
	2014	2013	Variance
Income tax benefit (expense)	**$ 1,302.0**	$ (55.1)	$ 1,357.1
Effective tax rate	**13.6%**	11.3%	2.3%

A reconciliation of our income tax attributable to continuing operations computed at the U.S. federal statutory rate for the years ended December 31, 2014 and 2013 is as follows:

	(In Millions)			
	2014		2013	
Tax at U.S. statutory rate of 35 percent	**$ (3,361.3)**	**35.0 %**	$ 171.3	35.0 %
Increases/(Decreases) due to:				
Foreign exchange remeasurement	**(4.1)**	**—**	(2.6)	(0.5)
Non-taxable loss (income) related to noncontrolling interests	**290.1**	**(3.0)**	(1.5)	(0.3)
Impact of tax law change	**13.0**	**(0.1)**	—	—
Percentage depletion in excess of cost depletion	**(87.9)**	**0.9**	(97.6)	(19.9)
Impact of foreign operations	**592.0**	**(6.2)**	(10.2)	(2.1)
Income not subject to tax	**(46.5)**	**0.5**	(106.6)	(21.8)
Goodwill impairment	**22.7**	**(0.2)**	20.5	4.2
State taxes, net	**(43.6)**	**0.5**	5.6	1.1
Settlement of financial guaranty	**(343.3)**	**3.6**	—	—
Manufacturer's deduction	**—**	**—**	(7.9)	(1.6)
Valuation allowance	**1,660.6**	**(17.3)**	73.0	14.9
Tax uncertainties	**0.2**	**—**	19.6	5.3
Prior year adjustments made in current year	**(10.4)**	**0.1**	(11.4)	(3.6)
Other items - net	**16.5**	**(0.2)**	2.9	0.6
Provision for income tax benefit and effective income tax rate including discrete items	**$ (1,302.0)**	**13.6 %**	$ 55.1	11.3 %

Our tax provision for the year ended December 31, 2014 was a benefit of $1,302.0 million and a 13.6 percent effective tax rate compared with an expense of $55.1 million and an effective tax rate of 11.3 percent for the prior-year. The change in the income tax benefit from the prior-year expense is due primarily to the impairment of global long-lived assets offset by valuation allowances on future tax benefits that management has determined are not recoverable and the settlement of a financial guaranty. The impact of foreign operations relates to losses in foreign jurisdictions where the statutory rates, ranging from 25 percent to 30 percent, differ from the U.S. statutory rate of 35 percent. Other items include non-deductible goodwill impairment as well as a decrease in the tax benefit from interest income not subject to tax.

Income not subject to tax includes the tax benefit of the non-taxable interest income that is $46.5 million for the year ended December 31, 2014. Of this, $27.8 million, relates to an intercompany note between the U.S. and Canada. This note was restructured on April 27, 2014 and will no longer result in an income tax benefit after this date. An additional, $18.7 million relates to an intercompany note which was originally between Canada and Australia, but was restructured on December 4, 2014 and is now between Luxembourg and Australia. The balance of the MRPS is $236.0 million at December 31, 2014 with an interest rate of 9.4 percent and a maturity date of December 31, 2020. The balances of the intercompany loans are not permanently invested in the subsidiaries.

See NOTE 9 - INCOME TAXES for further information.

Equity Loss from Ventures

Equity loss from ventures for the year ended December 31, 2014 of $9.9 million compares to equity loss from ventures for the year ended December 31, 2013 of $74.4 million. The equity loss from ventures for the year ended December 31, 2014 primarily is comprised of the impairment charge of $9.2 million related to a Global Exploration Group investment. The equity loss from ventures for the year ended December 31, 2013 primarily is comprised of the impairment charge of $67.6 million related to our 30 percent ownership interest in Amapá, the sale of which was approved by the Board of Directors in December 2012. The sale closed in the fourth quarter of 2013.

Noncontrolling Interest

Noncontrolling interest primarily is comprised of our consolidated, but less-than-wholly owned subsidiaries at the Bloom Lake and Empire mining operations. The net loss attributable to the noncontrolling interest related to Bloom Lake was $1,113.3 million and $66.5 million for the years ended December 31, 2014 and 2013, respectively. The net loss in 2014 was driven by other long-lived asset impairment charges recorded in the second half of 2014 for the Bloom Lake mine of $6.2 billion, of which $1.1 billion was allocated to the noncontrolling interest. This would not have impacted earnings comparably in 2013.

The net income attributable to the noncontrolling interest related to the Empire mining venture was $26.9 million and $20.7 million for the years ended December 31, 2014 and 2013, respectively.

Results of Operations – Consolidated

2013 Compared to 2012

The following is a summary of our consolidated results of operations for the years ended December 31, 2013 and 2012:

	(In Millions)		
	2013	2012	Variance Favorable/ (Unfavorable)
Revenues from product sales and services	$ 5,691.4	$ 5,872.7	$ (181.3)
Cost of goods sold and operating expenses	(4,542.1)	(4,700.6)	158.5
Sales margin	$ 1,149.3	$ 1,172.1	$ (22.8)
Sales margin %	20.2%	20.0%	0.2%

Revenues from Product Sales and Services

Sales revenue for the year ended December 31, 2013 decreased $181.3 million, or 3.1 percent, from 2012.

The decrease in sales revenue during 2013 compared to 2012 primarily was attributable to lower worldwide iron ore sales volumes of 1.4 million tons, or $174.7 million, and lower realized revenue rates for coal products of 15.5 percent year-over-year, which resulted in a decrease of $135.1 million. These decreases were offset partially by higher North American Coal sales volumes of 762 thousand tons, or $91.1 million.

Refer to "Results of Operations – Segment Information" for additional information regarding the specific factors that impacted revenue during the period.

Cost of Goods Sold and Operating Expenses

Cost of goods sold and operating expenses for the years ended December 31, 2013 and 2012 were $4,542.1 million and $4,700.6 million, a decrease of $158.5 million, or 3.4 percent, year-over-year.

Cost of goods sold and operating expenses for the year ended December 31, 2013 decreased primarily as a result of cost rate decreases of $143.7 million and a favorable foreign exchange rate impact of $70.9 million. Cost rate decreases of $122.1 million at our North American Coal operations were driven primarily due to reduced headcount, cost savings measures and more effective operating efficiency. These cost decreases were offset partially by additional costs of $72.5 million related to supply and product inventory write-downs predominately at our Wabush mine within our Eastern Canadian Iron Ore operations during the year ended December 31, 2013.

Refer to "Results of Operations – Segment Information" for additional information regarding the specific factors that impacted our operating results during the period.

Other Operating Income (Expense)

Following is a summary of other operating income (expense) for the years ended December 31, 2013 and 2012:

	(In Millions)		
	2013	2012	Variance Favorable/ (Unfavorable)
Selling, general and administrative expenses	$ (231.6)	$ (282.5)	$ 50.9
Exploration costs	(59.0)	(142.8)	83.8
Impairment of goodwill and other long-lived assets	(250.8)	(1,049.9)	799.1
Gain (loss) on disposal of assets	16.7	1.2	15.5
Miscellaneous - net	46.4	(6.9)	53.3
	$ (478.3)	$ (1,480.9)	$ 1,002.6

Selling, general and administrative expenses during the year ended December 31, 2013 decreased $50.9 million, over 2012. The year ended December 31, 2013 was impacted positively by reductions in outside service spending, general travel and employee-related expenses and technology spending of $42.7 million, $20.5 million and $7.1 million, respectively. These decreases were offset partially by $16.4 million in severance costs related to the voluntary and involuntary terminations as a result of cost savings actions for the year ended December 31, 2013 compared to 2012.

Exploration costs decreased by $83.8 million during the year ended December 31, 2013 from 2012, primarily due to decreases in spend at our Ferroalloys operations and Global Exploration Group operations. Ferroalloys and the Global Exploration Group are reported within our Other reportable segments. Our Global Exploration Group had cost decreases of $48.6 million in 2013 over 2012, due to lower drilling and professional services spend for certain projects. Our Ferroalloys operations had cost decreases of $28.8 million in 2013 over 2012. During 2012, there were increased engineering and drilling costs for external resources utilized to support the Chromite Project feasibility study.

During the fourth quarter of 2013, we continued to experience higher than expected production costs and operational inefficiencies at our Wabush operations within our Eastern Canadian Iron Ore operating segment that resulted in continued declines in our profitability of that business, which represents an asset group for purposes of testing our long-lived assets for recoverability. Driven by the unsustainable high cost structure, which was not economically viable to continue running the operations, we announced on February 11, 2014, we would idle the production of our Wabush Scully mine by the end of the first quarter. The mine was idled by the end March 2014 and in the fourth quarter of 2014 we began to implement the permanent closure plan for the mine. Upon completion of an impairment analysis, it was determined the fair value was less than the carrying value of the asset group, which resulted in an impairment of other long-lived assets of $154.6 million at December 31, 2013.

Additionally during the fourth quarter of 2013, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. Ferroalloys is reported within our Other reportable segments. The goodwill impairment charge was primarily a result of the decision to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online.

During the fourth quarter of 2012, upon performing our 2012 annual goodwill impairment assessments, a goodwill impairment charge of $997.3 million was recorded for our CQIM reporting unit within the Eastern Canadian Iron Ore operating segment. The impairment charge for our CQIM reporting unit was driven by the project's lower than anticipated long-term profitability coupled with delays in achieving full operational capacity and higher capital and operating costs. Additionally, a goodwill impairment charge of $2.7 million was recorded for our Wabush reporting unit. This charge was primarily a result of downward adjustments to our long-term pricing estimates and higher operating costs due to lower production.

Miscellaneous – net was favorable by $53.3 million during the year ended December 31, 2013 from 2012. The year ended December 31, 2013 was impacted positively as a result of incremental gains of $67.3 million due to foreign exchange re-measurement on short-term intercompany notes, Australian bank accounts that are denominated in U.S. dollars and certain monetary financial assets and liabilities, which are denominated in something other than the functional currency of the entity. Additionally, there was an increase of $31.6 million and $24.3 million, respectively, in net insurance recoveries related to North American Coal mines and various legal settlements period-over-period. These incremental increases were offset partially by the incurred casualty losses in 2013 of $19.1 million related to the Pointe Noire oil spill as well as minimum contractual rail shipment tonnage not being met due to the delay in the Bloom Lake II expansion, which resulted in incurred penalties of $37.3 million.

Other Income (Expense)

Following is a summary of other income (expense) for the years ended December 31, 2013 and 2012:

	(In Millions)		
	2013	2012	Variance Favorable/ (Unfavorable)
Interest expense, net	(179.1)	(195.6)	16.5
Other non-operating income (expense)	(2.6)	2.6	(5.2)
	$ (181.7)	$ (193.0)	$ 11.3

The decrease in interest expense in 2013 compared to 2012 was attributable primarily due to reduced interest expense of $35.7 million related to the repurchase of the $325.0 million private placement senior notes. This decrease was offset partially by additional interest expense of $20.3 million related to the $500 million 3.95 percent senior notes issued in December 2012. Refer to NOTE 5 - DEBT AND CREDIT FACILITIES for further information.

Income Taxes

Our tax rate is affected by permanent items, such as depletion and the relative amount of income we earn in various foreign jurisdictions with tax rates that differ from the U.S. statutory rate. It also is affected by discrete items that may occur in any given period, but are not consistent from period to period. The following represents a summary of our tax provision and corresponding effective rates for the December 31, 2013 and 2012:

	(In Millions)		
	2013	2012	Variance
Income tax expense	$ (55.1)	$ (255.9)	$ 200.8
Effective tax rate	11.3%	(51.0)%	62.3%

A reconciliation of our income tax attributable to continuing operations computed at the U.S. federal statutory rate for the years ended December 31, 2013 and 2012 is as follows:

	(In Millions)			
	2013		2012	
Tax at U.S. statutory rate of 35 percent	$ 171.3	35.0 %	$ (175.6)	35.0 %
Increases/(Decreases) due to:				
Foreign exchange remeasurement	(2.6)	(0.5)	62.3	(12.4)
Non-taxable loss (income) related to noncontrolling interests	(1.5)	(0.3)	61.0	(12.0)
Impact of tax law change	—	—	(357.1)	71.2
Percentage depletion in excess of cost depletion	(97.6)	(19.9)	(109.1)	21.7
Impact of foreign operations	(10.2)	(2.1)	65.2	(13.0)
Income not subject to tax	(106.6)	(21.8)	(108.0)	21.5
Goodwill impairment	20.5	4.2	202.2	(40.3)
State taxes, net	5.6	1.1	7.3	(1.5)
Manufacturer's deduction	(7.9)	(1.6)	(4.7)	0.9
Valuation allowance	73.0	14.9	634.5	(126.5)
Tax uncertainties	19.6	5.3	(14.8)	2.9
Prior year adjustments made in current year	(11.4)	(3.6)	(5.7)	1.1
Other items - net	2.9	0.6	(1.6)	0.4
Income tax expense	$ 55.1	11.3 %	$ 255.9	(51.0)%

In 2013, our income tax expense decreased by $200.8 million compared to 2012. The decrease in income tax expense year over year related primarily to various items recorded in 2012 including the placement of a full valuation allowance on the asset related to the Alternative Minimum Tax credit, the effect of currency elections on remeasurement, and the goodwill impairment related to Bloom Lake. Additionally, we recorded approximately $11.4 million of tax benefit in 2013 related primarily to adjustments to prior-year current and deferred tax balances.

See NOTE 9 - INCOME TAXES for further information.

Equity Loss from Ventures

Equity loss from ventures for the year ended December 31, 2013 of $74.4 million compares to equity loss from ventures for the year ended December 31, 2012 of $404.8 million. The equity loss from ventures for the year ended December 31, 2013 primarily was comprised of the impairment charge of $67.6 million related to our 30 percent ownership interest in Amapá, the sale of which was approved by the Board of Directors in December 2012. The sale closed in the fourth quarter of 2013. The equity loss from ventures for 2012 was comprised primarily of an impairment charge of $365.4 million related to the sale of our ownership interest in Amapá. Additionally, our equity loss consisted of our share of operating losses of $4.9 million for the year ended December 31, 2013, compared with operating losses of $31.4 million for 2012. Amapá's equity loss from operations in 2012 was attributable primarily to our share of a settlement charge taken in the third quarter of 2012 for the termination of a transportation agreement that resulted in a $10.2 million loss and a $5.5 million adjustment related to tax credits that we determined would not be realizable.

Income and Gain on Sale from Discontinued Operations, net of tax

Income and Gain on Sale from Discontinued Operations, net of tax was comprised primarily of the gain on the sale of Sonoma and the loss on the operations of the 45 percent economic interest in the Sonoma joint venture coal mine for the year ended December 31, 2012. The sale of Sonoma resulted in a net gain of $38.0 million that was recorded upon the completion of the sale on November 12, 2012. The Sonoma joint venture operations resulted in a net loss of $2.1 million for the year ended December 31, 2012. Income from discontinued operations, net of tax in 2013 related to additional income tax benefit resulting from the actual tax gain from the sale of Sonoma included on the 2012 tax return, which was filed during the three months ended September 30, 2013.

Noncontrolling Interest

Noncontrolling interest primarily was comprised of our consolidated, but less-than-wholly owned subsidiaries at the Bloom Lake and Empire mining operations. The net loss attributable to the noncontrolling interest related to Bloom Lake was $66.5 million and $252.0 million for the years ended December 31, 2013 and 2012, respectively. The net loss in 2012 was driven by an impairment of goodwill of $997.3 million, of which $249.3 million was allocated to the noncontrolling interest.

The net income attributable to the noncontrolling interest related to the Empire mining venture was $20.7 million and $25.9 million for the years ended December 31, 2013 and 2012, respectively

Results of Operations – Segment Information

Our Company's primary operations are organized and managed according to product category and geographic location. Segment information reflects our strategic business units, which are organized to meet customer requirements and global competition. We evaluate segment performance based on sales margin, defined as revenues less cost of goods sold and operating expenses identifiable to each segment. This measure of operating performance is an effective measurement as we focus on reducing production costs.

We have historically evaluated segment performance based on sales margin, defined as revenues less cost of goods sold, and operating expenses identifiable to each segment. Additionally, beginning in the third quarter of 2014, concurrent with the change of a majority of our Board of Directors in August, 2014, which constituted and triggered a "change in control" as defined in our equity plans, management began to evaluate segment performance based on EBITDA, defined as *Net Income (Loss)* before interest, income taxes, depreciation, depletion and amortization, and Adjusted EBITDA, defined as EBITDA excluding certain items such as impairment charges, impacts of permanently idled, closed or sold facilities, foreign currency remeasurement, severance and other costs associated with the change in control, litigation judgments and intersegment corporate allocations of SG&A costs. Management uses and believes that investors benefit from referring to these measures in evaluating operating and financial results, as well as in planning, forecasting and analyzing future periods as these financial measures approximate the cash flows associated with the operational earnings.

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2014 Compared to 2013

	(In Millions)	
	2014	2013
Net Income (Loss)	**$ (8,311.6)**	$ 361.8
Less:		
Interest expense, net	**(185.2)**	(179.1)
Income tax benefit (expense)	**1,302.0**	(55.1)
Depreciation, depletion and amortization	**(504.0)**	(593.3)
EBITDA	**$ (8,924.4)**	$ 1,189.3
Less:		
Impairment of goodwill and other long-lived assets	**$ (9,029.9)**	$ (250.8)
Loss on sale of Cliffs Logan County Coal	**(419.6)**	—
Wabush mine impact	**(158.7)**	(72.7)
Bloom Lake mine impact	**(137.9)**	46.5
Foreign exchange remeasurement	**30.7**	64.0
Proxy contest and change in control costs in SG&A	**(26.6)**	—
Litigation judgment	**(96.3)**	(9.6)
Severance in SG&A	**(15.8)**	(16.4)
Total Adjusted EBITDA	**$ 929.7**	$ 1,428.3
EBITDA:		
U.S. Iron Ore	**$ 805.6**	$ 1,000.1
Asia Pacific Iron Ore	**(369.8)**	500.4
North American Coal	**(1,326.8)**	129.5
Eastern Canadian Iron Ore	**(7,673.9)**	(192.8)
Other	**(359.5)**	(247.9)
Total EBITDA	**$ (8,924.4)**	$ 1,189.3
Adjusted EBITDA:		
U.S. Iron Ore	**$ 831.2**	$ 1,030.8
Asia Pacific Iron Ore	**264.6**	525.7
North American Coal	**(28.5)**	154.0
Eastern Canadian Iron Ore	**—**	—
Other	**(137.6)**	(282.2)
Total Adjusted EBITDA	**$ 929.7**	$ 1,428.3

EBITDA for the year ended December 31, 2014 decreased by $ 10,113.7 million on a consolidated basis from 2013. The decrease was primarily driven by the goodwill and long-lived asset impairment charges recorded during 2014 of $7,269.2 million, $624.2 million, $857.5 million and $279.0 million related to the Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Other segments, respectively. Additionally, lower sales margins across all operating segments negatively impacted EBITDA and was the main driver in the change of Adjusted EBITDA, which decreased by $498.6 million for the year ended December 31, 2014 from the comparable period in 2013. See further detail below for additional information regarding the specific factors that impacted each reportable segments' sales margin during 2014.

U.S. Iron Ore

The following is a summary of U.S. Iron Ore results for the years ended December 31, 2014 and 2013:

	(In Millions)						
	Year Ended December 31,		Changes due to:				
	2014	2013	Revenue and cost rate	Sales volume	Idle cost/production volume variance	Freight and reimburse-ment	Total change
Revenues from product sales and services	**$ 2,506.5**	$ 2,667.9	$ (233.6)	$ 60.8	$ —	$ 11.4	$ (161.4)
Cost of goods sold and operating expenses	**(1,796.1)**	(1,766.0)	(34.4)	(33.2)	48.9	(11.4)	(30.1)
Sales margin	**$ 710.4**	$ 901.9	$ (268.0)	$ 27.6	$ 48.9	$ —	$ (191.5)

	Year Ended December 31,			
Per Ton Information	**2014**	2013	Difference	Percent change
Realized product revenue rate[1]	**$ 102.36**	$ 113.08	$ (10.72)	(9.5)%
Cash production cost	**64.09**	64.65	(0.56)	(0.9)%
Non-production cash cost	**0.82**	0.43	0.39	90.7 %
Cost of goods sold and operating expense rate[1] (excluding DDA)	**64.91**	65.08	(0.17)	(0.3)%
Depreciation, depletion & amortization	**4.92**	5.65	(0.73)	(12.9)%
Total cost of goods sold and operating expense rate	**69.83**	70.73	(0.90)	(1.3)%
Sales margin	**$ 32.53**	$ 42.35	$ (9.82)	(23.2)%
Sales tons[2] (In thousands)	**21,840**	21,299		
Production tons[2] (In thousands)				
Total	**29,733**	27,234		
Cliffs' share of total	**22,431**	20,271		

[1] Excludes revenues and expenses related to domestic freight, which are offsetting and have no impact on sales margin. Revenues also exclude venture partner cost reimbursements.

[2] Tons are long tons (2,240 pounds).

Sales margin for U.S. Iron Ore was $710.4 million for the year ended December 31, 2014, compared with the sales margin of $901.9 million for the year ended December 31, 2013. The decline compared to the prior year is attributable to a decrease in revenue of $161.4 million as well as an increase in cost of goods sold and operating expenses of $30.1 million. Sales margin per ton decreased 23.2 percent to $32.53 during the year ended December 31, 2014 compared to 2013.

Revenue decreased by $172.8 million, excluding the increase of $11.4 million of freight and reimbursements, from the prior year, predominantly due to:

- The average year-to-date realized product revenue rate declined by $10.72 per ton or 9.5 percent to $102.36 per ton in 2014, which resulted in a decrease of $233.6 million. This decline is a result of:
    - Changes in customer pricing negatively affected the realized revenue rate by $6 per ton driven primarily by the period-over-period reduction in Platts 62 percent Fe fines spot price and by new base pricing from an additional contract; and
    - Realized revenue rates impacted negatively by $5 per ton related to one major customer contract with a reduced average selling price due to a contractual change in the 2014 pricing mechanism.

- Primarily offset by higher sales volumes of 541 thousand tons or $60.8 million due to:
    - Higher Great Lakes sales due to increased contracted tons in 2014 from two customers due to separate contract extensions/amendments, higher demand from a customer due to the Great Lakes freeze preventing the customer from reaching its self-produced ore along with increased nominations in 2014 for two major customer contracts.
    - Partially offset by decreased export sales due to increased 2014 Great Lakes nominations and low market pricing providing a disincentive for spot shipment opportunities along with reduced spot sales that occurred with one customer in the prior-year not recurring for as much tonnage in 2014.

Cost of goods sold and operating expenses in 2014 increased $18.7 million, excluding the increase of $11.4 million of freight and reimbursements from the prior year, predominantly as a result of:

- Higher costs related to increased mobile equipment repairs and increased maintenance and repair costs primarily driven by increased kiln repairs at Empire in 2014 due to the 2016 life-of-mine extension, mill repair at the Hibbing mine, along with higher costs related to increased energy rates in the first quarter of 2014; and
- Increased sales volumes, as discussed above, that increased costs by $33.2 million compared to the prior-year period.
- Partially offset by lower idle costs of $48.9 million due to restarting the two production lines at our Northshore mine during the first quarter of 2014 that were previously idled in January 2013 and the non-recurrence of the 2013 summer shutdown of the Empire mine in 2014.

Production

Cliffs' share of production in its U.S. Iron Ore segment increased by 10.7 percent in 2014 when compared to 2013. There was increased production at our Empire mine of 1.3 million tons in 2014 as a result of the non-recurrence of the summer shutdown that occurred in 2013, beginning early in the second quarter and ending in the third quarter. Additionally, there was an increase in production of 1.4 million tons at the Northshore mine during 2014, as we restarted the two idled furnaces in the first quarter of 2014. We had previously idled two of the four furnaces at the Northshore mine in January 2013. These increases were partially offset by decreased production of 260 thousand tons at our United Taconite mine due to extreme weather and unplanned maintenance outages. One of the four furnaces in the Northshore pellet plant became idled in January 2015 and is expected to remain idled throughout the year.

Asia Pacific Iron Ore

The following is a summary of Asia Pacific Iron Ore results for the years ended December 31, 2014 and 2013:

	(In Millions)						
	Year Ended December 31,		Change due to:				
	2014	2013	Revenue and cost rate	Sales volume	Exchange rate	Freight and reimburse-ment	Total change
Revenues from product sales and services	**$ 866.7**	$ 1,224.3	$ (414.8)	$ 54.8	$ (4.5)	$ 6.9	$ (357.6)
Cost of goods sold and operating expenses	**(745.0)**	(857.2)	102.7	(37.9)	54.3	(6.9)	112.2
Sales margin	**$ 121.7**	$ 367.1	$ (312.1)	$ 16.9	$ 49.8	$ —	$ (245.4)

	Year Ended December 31,			
Per Ton Information	**2014**	2013	Difference	Percent change
Realized product revenue rate[1]	**$ 74.56**	$ 110.87	$ (36.31)	(32.8)%
Cash production cost	**49.41**	58.02	(8.61)	(14.8)%
Non-production cash cost	**1.95**	5.69	(3.74)	(65.7)%
Cost of goods sold and operating expense rate[1] (excluding DDA)	**51.36**	63.71	(12.35)	(19.4)%
Depreciation, depletion & amortization	**12.65**	13.92	(1.27)	(9.1)%
Total cost of goods sold and operating expense rate	**64.01**	77.63	(13.62)	(17.5)%
Sales margin	**$ 10.55**	$ 33.24	$ (22.69)	(68.3)%
Sales tons[2] (In thousands)	**11,531**	11,043		
Production tons[2] (In thousands)	**11,352**	11,109		

[1] We began selling a portion of our product on a CFR basis in 2014. As such, the information above excludes revenues and expenses related to freight, which are offsetting and have no impact on sales margin.

[2] Metric tons (2,205 pounds).

Sales margin for our Asia Pacific Iron Ore segment decreased to $121.7 million during the year ended December 31, 2014 compared with $367.1 million for the same period in 2013. Sales margin per ton decreased 68.3 percent to $10.55 per ton in 2014 compared to 2013.

Revenue decreased by $364.5 million during the year ended December 31, 2014 over the prior year, excluding the increase of $6.9 million of freight and reimbursements, primarily as a result of:

- An overall decrease to the average realized revenue rate, which resulted in a decrease of $414.8 million, primarily as a result of a decrease in the Platts 62 percent Fe fines spot price to an average of $97 per ton from $135 per ton in the prior-year period,
- Partially offset by the higher sales volume of 11.5 million tons during the year ended December 31, 2014 compared with 11.0 million tons during the prior-year period due to strong rail deliveries and increased production, resulting in an increase in revenue of $54.8 million.

Cost of goods sold and operating expenses in the year ended December 31, 2014 decreased $119.1 million, excluding the increase of $6.9 million of freight and reimbursements, compared to 2013 primarily as a result of:

- Reduced mining costs of $81.2 million mainly due to lower mining contractor costs primarily resulting from a focus on efficiencies across the operation, lower sales royalties of $23.9 million primarily attributable to the decline in the Platts 62 percent Fe fines spot price, and lower logistics costs of $12.0 million primarily attributable to the finalization of the port dispute. These cost savings are partially offset by an increase in site administration expenses of $9.6 million due to realignment of head count to the sites and severance payments of $1.6 million; and

- Favorable foreign exchange rate variances of $54.3 million or $5 per metric ton.
- These decreases were offset partially by higher sales volumes, as discussed above, that resulted in increased costs of $37.9 million compared to the prior year.

Production

Production at our Asia Pacific Iron Ore segment increased 243 thousand metric tons or 2.2 percent during the year ended December 31, 2014 when compared to 2013. The increase in production tons compared to the prior-year period is mainly attributable to increased rail capacity as there were less train delays and better loading procedures implemented to get more tons into each wagon.

North American Coal

The following is a summary of North American Coal results for the years ended December 31, 2014 and 2013:

	(In Millions)						
	Year Ended December 31,		Change due to:				
	2014	2013	Revenue and cost rate	Sales volume	Inventory write-down	Freight and reimburse-ment	Total change
Revenues from product sales and services	**$ 687.1**	$ 821.9	$ (176.8)	$ 12.8	$ —	$ 29.2	$ (134.8)
Cost of goods sold and operating expenses	**(822.9)**	(836.4)	89.1	(13.0)	(33.4)	(29.2)	13.5
Sales margin	**$ (135.8)**	$ (14.5)	$ (87.7)	$ (0.2)	$ (33.4)	$ —	$ (121.3)

	Year Ended December 31,			
Per Ton Information	**2014**	2013	Difference	Percent change
Realized product revenue rate[1]	**$ 77.31**	$ 101.20	$ (23.89)	(23.6)%
Cash production cost	**68.64**	75.27	(6.63)	(8.8)%
Non-production cash cost	**12.58**	10.20	2.38	23.3 %
Cost of goods sold and operating expense rate[1] (excluding DDA)	**81.22**	85.47	(4.25)	(5.0)%
Depreciation, depletion & amortization	**14.45**	17.72	(3.27)	(18.5)%
Total cost of goods sold and operating expense rate	**95.67**	103.19	(7.52)	(7.3)%
Sales margin	**$ (18.36)**	$ (1.99)	$ (16.37)	n/m
Sales tons[2] (In thousands)	**7,400**	7,274		
Production tons[2] (In thousands)	**7,536**	7,221		

[1] Excludes revenues and expenses related to domestic freight, which are offsetting and have no impact on sales margin.

[2] Tons are short tons (2,000 pounds).

Sales margin for the North American Coal segment decreased to a loss of $135.8 million during the year ended December 31, 2014, compared to a sales margin loss of $14.5 million during the year ended December 31, 2013. Sales margin per ton decreased to a loss of $18.36 per ton in 2014 compared to a sales margin loss of $1.99 per ton in the prior year.

Revenues from product sales and services were $687.1 million, which is a decrease of $164.0 million over the prior-year period, excluding the increase of $29.2 million of freight and reimbursements, predominantly due to:

- A decrease in our realized product revenue rate of $176.8 million or 23.6 percent on a per-ton basis for the year ended December 31, 2014. This decline is a result of:
  - The downward trend in market pricing period over period, including a decrease of $33 per ton in the 2014 average benchmark price, along with a more favorable impact in 2013 from carryover contracts; and
  - An unfavorable change in product mix negatively impacting the realized revenue rate by $5 per ton primarily attributable to lower domestic sales of high-volatile and low-volatile metallurgical coal which required higher export sales and increased sales of thermal coal, both of which are unfavorable to the overall realized revenue rate.
- Partially offset by sales volume increases of 126 thousand tons or 1.7 percent during 2014 in comparison to the prior-year resulting in an increase in revenue of $12.8 million, primarily due to higher thermal coal sales due to a new contract offset by decreased sales of high-volatile metallurgical coal resulting from non-renewal of a customer contract. The decreased sales of high-volatile metallurgical coal was partly mitigated by an increase in export sales.

Cost of goods sold and operating expenses in 2014 decreased $42.7 million, excluding the increase of $29.2 million of freight and reimbursements from the comparable period in the prior year, predominantly as a result of:

- Decreased spending of $26.6 million on production costs due to increased focus on reducing external services and administrative costs at our low-volatile metallurgical coal mines, a reduction in depreciation, amortization and depletion expense of $21.9 million in 2014 due to the long-lived asset impairments taken during the current year, and decreased costs related to royalties and severance taxes of $14.0 million due to a reduced year-over-year revenue rate; and
- The impact of lower-of-cost-or-market inventory charges resulted in lower costs of $15.9 million as inventory was sold.
- Partially offset by:
  - An unfavorable variance in the lower-of-cost-or-market inventory charge of $33.4 million in comparison to the prior-year period as the lower-of-cost-or-market inventory charges at December 31, 2014 and 2013 were $44.5 million and $11.1 million, respectively; and
  - Higher sales volume attributable to additional thermal coal sales, as discussed above, resulted in an additional $13.0 million of costs.

Production

Production of low- and high-volatile metallurgical coal in 2014 was 6.6 million tons, which is consistent with the prior-year production. Due to increased demand for thermal coal in 2014, we increased production at our thermal coal mine from one shift to two shifts in the first quarter of 2014 to align production with customer demand. Thermal coal production was 927 thousand tons during 2014, which is an increase of 46.7 percent compared to the prior year. The increase in thermal coal production was the primary contributor to our increased overall coal production in 2014. Additionally in August 2014, the Oak Grove mine set its one-day production record by producing 14 thousand tons in one day.

In the fourth quarter of 2014, we sold our CLCC assets. Production tons at CLCC were 2.5 million tons and 2.1 million tons for the years ended December 31, 2014 and 2013, respectively, and are included in the production tons disclosed above.

Eastern Canadian Iron Ore

The following is a summary of Eastern Canadian Iron Ore results for the years ended December 31, 2014 and 2013:

	(In Millions)								
			Change due to:						
	Year Ended December 31,		Revenue and cost rate	Sales volume	Wabush idle [2]	Inventory write-down	Exchange rate	Total change
	2014	2013						
Revenues from product sales and services	**$ 563.4**	$ 978.7	$ (182.4)	$ 55.1	$ (288.0)	$ —	$ —	$ (415.3)
Cost of goods sold and operating expenses	**(808.3)**	(1,082.0)	10.7	(57.5)	304.4	(23.4)	39.5	273.7
Sales margin	**$ (244.9)**	$ (103.3)	$ (171.7)	$ (2.4)	$ 16.4	$ (23.4)	$ 39.5	$ (141.6)

	Year Ended December 31,			
Per Ton Information	**2014**	2013	Difference	Percent change
Realized product revenue rate [3]	**81.19**	$ 110.79	$ (29.60)	(26.7)%
Cash production cost	**81.04**	86.20	(5.16)	(6.0)%
Non-production cash cost	**10.50**	3.67	6.83	186.1 %
Cost of goods sold and operating expense rate (excluding DDA) [3]	**91.54**	89.87	1.67	1.9 %
Depreciation, depletion & amortization [3]	**19.78**	25.79	(6.01)	(23.3)%
Total cost of goods sold and operating expense rate [3]	**111.32**	115.66	(4.34)	(3.8)%
Sales margin [3]	**$ (30.13)**	$ (4.87)	$ (25.26)	n/m
Bloom Lake sales tons	**6,162**	5,665		
Wabush sales tons	**1,066**	2,886		
Sales tons[1] (In thousands)	**7,228**	8,551		
Bloom Lake production tons	**5,940**	5,877		
Wabush production tons	**280**	2,778		
Production tons[1] (In thousands)	**6,220**	8,655		

[1] Tons are metric tons (2,205 pounds).

[2] As a result of the Wabush mine idle, all revenue and cost activity related to the Wabush mine has been quantified in the Wabush idle column of the chart above.

[3] As a result of the Wabush mine idle, all revenue and cost activity related to the Wabush mine has been excluded from the Per Ton Information above. Per Ton Information relates to the Bloom Lake mine only.

We reported a sales margin loss for our Eastern Canadian Iron Ore segment of $244.9 million for the year ended December 31, 2014, compared with a sales margin loss of $103.3 million for the year ended December 31, 2013. Sales margin per metric ton for the Bloom Lake mine increased to a loss of $30.13 per metric ton for the year ended December 31, 2014 compared to a sales margin loss of $4.87 per metric ton for 2013.

Revenue decreased by $415.3 million for the year ended December 31, 2014 when compared to prior year, primarily due to:

- A reduction in revenue of $288.0 million due to idling of the Wabush Scully mine in Newfoundland and Labrador at the end of March 2014 and the idling of the Wabush pellet plant in June 2013; and

- An overall decrease to the Bloom Lake mine average realized revenue rate, which resulted in a decrease of $182.4 million, primarily as a result of a decrease in the Platts 62 percent Fe fines spot price to an average of $97 per ton from $135 per ton in the prior year,
- Partially offset by higher sales volumes at the Bloom Lake mine of 497 thousand tons resulting in an increase to revenue of $55.1 million, which was primarily related to the timing of customer shipments that were delayed from the end of 2013 into 2014 as a result of adverse weather conditions.

Cost of goods sold and operating expenses during the year ended December 31, 2014 decreased from 2013 by $273.7 million primarily due to:

- Lower costs of $304.4 million due to idling the Wabush pellet plant in June 2013 and idling of the Wabush Scully mine in Newfoundland and Labrador at the end of March 2014;
- Favorable foreign exchange rate variances of $39.5 million; and
- Reduced costs mainly attributable to lower depreciation, depletion and amortization costs of $24.2 million year-over-year primarily as a result of long-lived asset impairments taken in the third quarter of 2014 along with reduced spending on external services,
- Partially offset by:
    - Higher sales volumes at the Bloom Lake facilities as discussed above resulting in increased costs of $57.5 million compared to the prior-year period;
    - Unfavorable foreign exchange contract hedging impacts of $13.6 million year-over-year driven by the de-designation of foreign currency hedges; and
    - An unfavorable variance of $23.4 million in lower-of-cost-or-market inventory charges at our Bloom Lake operation. Lower-of-cost-or-market charges were $27.9 million in 2014, primarily attributable to market declines in Platts spot rate pricing as well as higher cost of inventory driven by the timing of maintenance activities and mine development up until production ceased at Bloom Lake and the mine entered "care-and-maintenane" mode on December 31, 2014. The Bloom Lake mine had lower-of-cost-or-market inventory charges of $4.5 million in 2013.

Production

The Bloom Lake facility produced 5.9 million tons of iron ore concentrate in each of the years ended December 31, 2014 and 2013, respectively. As we have previously disclosed, despite our cost-cutting progress at our Bloom Lake mine, we have concluded that Phase I alone is not economically feasible based on our current operating plans. We also determined that the Phase II expansion of the Bloom Lake mine was no longer a viable option for us and we shifted our focus to considering available possibilities and executing an exit option for Eastern Canadian Iron Ore operations that minimizes the cash outflows and associated liabilities. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

Production at the Wabush facility was 0.3 million tons of iron ore concentrate during the year ended December 31, 2014 and 1.6 million tons of iron ore concentrate and 1.2 million tons of iron ore pellets during the year end December 31, 2013, respectively. Due to high production costs and lower pellet premium pricing, we idled production at the Wabush pellet plant and transitioned to producing an iron ore concentrate product from our Wabush Scully mine during June 2013. At the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and began to implement the permanent closure plan for the mine in the fourth quarter of 2014.

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2013 Compared to 2012

	(In Millions)	
	2013	2012
Net Income (Loss)	$ 361.8	$ (1,126.6)
Less:		
Interest expense, net	(179.1)	(195.6)
Income tax benefit (expense)	(55.1)	(255.9)
Depreciation, depletion and amortization	(593.3)	(525.8)
EBITDA	$ 1,189.3	$ (149.3)
Less:		
Impairment of goodwill and other long-lived assets	$ (250.8)	$ (1,049.9)
Impairment of equity method investment	—	(365.4)
Loss on sale of Cliffs Logan County Coal	—	—
Wabush mine impact	(72.7)	(30.1)
Bloom Lake mine impact	46.5	6.4
Foreign exchange remeasurement	64.0	(3.2)
Proxy contest and change in control costs in SG&A	—	—
Litigation judgment	(9.6)	—
Severance in SG&A	(16.4)	—
Total Adjusted EBITDA	$ 1,428.3	$ 1,292.9
EBITDA:		
U.S. Iron Ore	$ 1,000.1	$ 1,045.3
Asia Pacific Iron Ore	500.4	387.3
North American Coal	129.5	74.0
Eastern Canadian Iron Ore	(192.8)	(1,103.3)
Other	(247.9)	(552.6)
Total EBITDA	$ 1,189.3	$ (149.3)
Adjusted EBITDA:		
U.S. Iron Ore	$ 1,030.8	$ 1,085.6
Asia Pacific Iron Ore	525.7	402.1
North American Coal	154.0	106.7
Eastern Canadian Iron Ore	—	—
Other	(282.2)	(301.5)
Total Adjusted EBITDA	$ 1,428.3	$ 1,292.9

EBITDA for the year ended December 31, 2013 increased by $1,338.6 million on a consolidated basis from 2012. The increase was primarily driven by the favorable fluctuation in goodwill and long-lived asset impairment charges recorded during 2013 compared to 2012 for the Eastern Canadian Iron Ore segment. For the years ended December 31, 2013 and 2012, we recorded goodwill and long-lived asset impairment charges of $154.6 million and $1,049.9 million, respectively, related to the Eastern Canadian Iron Ore segment. Additionally, lower exploration and SG&A expense of $134.7 million when comparing 2013 to 2012 positively impacted EBITDA and was a main driver in the change of Adjusted EBITDA, which increased by $135.4 million for the year ended December 31, 2013 from 2012. See further detail below regarding the specific factors that impacted the sales margin of each reportable segment sales margin during 2013.

U.S. Iron Ore

Following is a summary of U.S. Iron Ore results for the years ended December 31, 2013 and 2012:

	(In Millions)						
	Year Ended December 31,		Change due to				
	2013	2012	Revenue and cost rate	Sales volume	Idle cost/Production volume variance	Freight and reimburse-ment	Total change
Revenues from product sales and services	$ 2,667.9	$ 2,723.3	$ (24.5)	$ (39.6)	$ —	$ 8.7	$ (55.4)
Cost of goods sold and operating expenses	(1,766.0)	(1,747.1)	11.7	10.4	(32.3)	(8.7)	(18.9)
Sales margin	$ 901.9	$ 976.2	$ (12.8)	$ (29.2)	$ (32.3)	$ —	$ (74.3)

	Year Ended December 31,			
Per Ton Information	2013	2012	Difference	Percent change
Realized product revenue rate[1]	$ 113.08	$ 114.29	$ (1.21)	(1.1)%
Cash production cost	64.65	63.28	1.37	2.2 %
Non-production cash cost	0.43	1.22	(0.79)	(64.8)%
Cost of goods sold and operating expenses rate[1] (excluding DDA)	65.08	64.50	0.58	0.9 %
Depreciation, depletion & amortization	5.65	4.66	0.99	21.2 %
Total cost of goods sold and operating expenses rate	70.73	69.16	1.57	2.3 %
Sales margin	$ 42.35	$ 45.13	$ (2.78)	(6.2)%

Sales tons [2] (In thousands)	21,299	21,633
Production tons [2] (In thousands)		
Total	27,234	29,526
Cliffs' share of total	20,271	21,992

[1] Excludes revenues and expenses related to domestic freight, which are offsetting and have no impact on sales margin. Revenues also exclude venture partner cost reimbursements.

[2] Tons are long tons (2,240 pounds).

Sales margin for U.S. Iron Ore was $901.9 million for the year ended December 31, 2013, compared with the sales margin of $976.2 million for the year ended December 31, 2012. The decline compared to the prior year is attributable to a decrease in revenue of $55.4 million as well as an increase in cost of goods sold and operating expenses of $18.9 million. Sales margin per ton decreased 6.2 percent to $42.35 during the year ended December 31, 2013 compared to 2012.

Revenue decreased by $64.1 million, excluding the increase of $8.7 million of freight and reimbursements, from the prior year, predominantly due to:

- Lower sales volumes of 334 thousand tons or $39.6 million:
    - Primarily driven by the expiration of one contract with a continuing customer, a lower full-year nomination by a customer, reduced tonnage with a customer due to their force majeure and the bankruptcy of one customer in 2012,
    - Partially offset by the placement of an additional 1.2 million export tons primarily due to pellet contracts transferred from Wabush as well as trial and spot cargoes in Europe during 2013

when compared to the prior year. We additionally benefited from additional customer demand, specifically additional spot contracts with a major customer in the Great Lakes region.

- A decline in the average revenue rate, which resulted in a decrease of $24.5 million also was a contributing factor to the decrease in year-over-year revenues. The average year-to-date realized product revenue rate declined by $1.21 per ton or 1.1 percent to $113.08 per ton in 2013. This decline is a result of:
    - Unfavorable customer mix impacted the realized revenue rates by $3 per ton primarily due to higher sales tonnage to overseas customers, which have lower realized revenue rates driven by additional transportation costs to move inventory from the U.S. Iron Ore mine locations to the international port locations in Québec, which reduces our realized revenue rate per ton; and
    - Realized revenue rates were impacted negatively by $1 per ton as a result of discounts given during 2013 as a part of recently extended contracts,
    - Partially offset by one customer contract that increased the average rate by $3 per ton due to the reset of their contract base rate.

Cost of goods sold and operating expenses in 2013 increased $10.2 million, excluding the increase of $8.7 million of freight and reimbursements compared to the prior year, predominantly as a result of:

- Higher idle costs of $32.3 million due to the previously announced temporary idling of production at the Empire mine and the idle of two of the four production lines at our Northshore mine, offset by;
- Lower sales volumes decreased costs by $10.4 million compared to the prior year;
- Lower costs of $12.0 million attributable to timing of tolling cost distribution to Empire mine partner ArcelorMittal when compared to the prior year; and
- Lower costs of $11.6 million due to a reduction in electrical energy rates at Empire and Tilden mines as a result of switching energy suppliers, reduced contractor spend of $29.4 million and optimized maintenance spend of $21.1 million and partially offset by increased costs of $16.6 million due to higher rates for natural gas and supplies as well as increased costs of $17.5 million related to deeper pit hauls as compared to 2012.

Production

Cliffs' share of production in our U.S. Iron Ore segment decreased by 7.8 percent during the year ended December 31, 2013 when compared to 2012. Beginning on January 5, 2013, we idled two of the four furnaces at the Northshore mine for the remainder of 2013 and into the first quarter of 2014, which resulted in decreased production of 1.4 million tons when compared to the year ended December 31, 2012. During the first quarter of 2014, we restarted the two idled furnaces.

Asia Pacific Iron Ore

Following is a summary of Asia Pacific Iron Ore results for the years ended December 31, 2013 and 2012:

	(In Millions)						
	Year Ended December 31,		Change due to				
	2013	2012	Revenue and cost rate	Sales Volume	Completion of Cockatoo Mining Stage 3	Exchange Rate	Total change
Revenues from product sales and services	$ 1,224.3	$ 1,259.3	$ 39.5	$ (0.2)	$ (77.0)	$ 2.7	$ (35.0)
Cost of goods sold and operating expenses	(857.2)	(948.3)	(22.2)	0.2	51.2	61.9	91.1
Sales margin	$ 367.1	$ 311.0	$ 17.3	$ —	$ (25.8)	$ 64.6	$ 56.1

	Year Ended December 31,			
Per Ton Information	2013	2012	Difference	Percent change
Realized product revenue rate	$ 110.87	$ 107.81	$ 3.06	2.8 %
Cash production cost	58.02	62.02	(4.00)	(6.4)%
Non-production cash cost	5.69	6.16	(0.47)	(7.6)%
Cost of goods sold and operating expenses rate (excluding DDA)	63.71	68.18	(4.47)	(6.6)%
Depreciation, depletion & amortization	13.92	13.00	0.92	7.1 %
Total cost of goods sold and operating expenses rate	77.63	81.18	(3.55)	(4.4)%
Sales margin	$ 33.24	$ 26.63	$ 6.61	24.8 %

Sales tons [1] (In thousands)	11,043	11,681
Production tons [1] (In thousands)	11,109	11,260

[1] Metric tons (2,205 pounds). Cockatoo Island production and sales are reflected at our 50 percent share during the first half of 2012.

Sales margin for our Asia Pacific Iron Ore segment increased to $367.1 million during the year ended December 31, 2013 compared with $311.0 million for the same period in 2012. Sales margin per metric ton increased 24.8 percent to $33.24 per metric ton in 2013 compared to 2012.

Revenue decreased by $35.0 million during the year ended December 31, 2013 over the prior year primarily as a result of:

- The completion of the mining of Stage 3 at Cockatoo and the sale of our interest at the end of the third quarter of 2012, resulting in a revenue decrease of $77.0 million or 636 thousand metric tons compared to the prior year.
- These decreases were offset partially by an increase in our realized product revenue rate for the year ended December 31, 2013 that resulted in an increase of $39.5 million or 2.8 percent on a per-ton basis. This increase is driven mainly by:
    - The Platts 62 percent Fe index increased to an average of $135 per metric ton from $130 per metric ton during the prior year, which positively impacted the revenue rate resulting in an increase of $56.6 million or $5 per metric ton to our realized revenue rate; and
    - The low-grade iron ore sales campaign in 2012 that did not recur in 2013, which positively impacted the revenue rate variance resulting in an increase of $40.6 million or $4 per metric ton,
    - Offset by a reduction to our realized revenue rate due to:

- Unfavorable change in foreign exchange contract hedging impacts of $26.7 million or $2 per metric ton period over period; and
- Lower iron ore content on standard product in 2013 resulting in a reduction of realized product revenue rate of $22.7 million or $2 per metric ton.

Cost of goods sold and operating expenses in the year ended December 31, 2013 decreased $91.1 million compared to 2012 primarily as a result of:

- The completion of the mining of Stage 3 at Cockatoo and the sale of our interest at the end of the third quarter of 2012, resulting in a decrease in costs of $51.2 million in 2013 compared to the prior year; and
- Favorable foreign exchange rate variances of $61.9 million or $6 per metric ton.
- Partially offset by higher logistics costs of $29.6 million mainly attributable to higher railed tons and higher ship-loading handling charges in 2013 slightly mitigated by lower mining and crushing costs of $6.6 million due to improved efficiencies.

Production

Production at our Asia Pacific Iron Ore segment decreased 151 thousand metric tons or 1.3 percent during the year ended December 31, 2013 when compared to 2012. We completed the mining of Stage 3 at Cockatoo and sold our interest during the third quarter of 2012, resulting in a decrease of 590 thousand metric tons in total production during the year 2013 compared to 2012. The decrease was offset partially by the increased production of 439 thousand metric tons at Koolyanobbing in 2013 resulting from the completion of the Koolyanobbing expansion project during mid-2012, which provided additional ore processing and rail and port capabilities that drove performance increases at this mine.

North American Coal

Following is a summary of North American Coal results for the years ended December 31, 2013 and 2012:

	(In Millions)					
	Year Ended December 31,		Change due to:			
	2013	2012	Revenue and cost rate	Sales Volume	Freight and reimburse-ment	Total change
Revenues from product sales and services	$ 821.9	$ 881.1	$ (135.1)	$ 91.1	$ (15.2)	$ (59.2)
Cost of goods sold and operating expenses	(836.4)	(882.9)	122.1	(90.8)	15.2	46.5
Sales margin	$ (14.5)	$ (1.8)	$ (13.0)	$ 0.3	$ —	$ (12.7)

	Year Ended December 31,			
Per Ton Information	2013	2012	Difference	Percent change
Realized product revenue rate[1]	$ 101.20	$ 119.79	$ (18.59)	(15.5)%
Cash production cost	75.27	92.34	(17.07)	(18.5)%
Non-production cash cost	10.20	12.65	(2.45)	(19.4)%
Cost of goods sold and operating expenses rate[1] (excluding DDA)	85.47	104.99	(19.52)	(18.6)%
Depreciation, depletion & amortization	17.72	15.08	2.64	17.5 %
Total cost of goods sold and operating expenses rate	103.19	120.07	(16.88)	(14.1)%
Sales margin	$ (1.99)	$ (0.28)	$ (1.71)	n/m
Sales tons [2] (In thousands)	7,274	6,512		
Production tons [2] (In thousands)	7,221	6,394		

[1] Excludes revenues and expenses related to domestic freight, which are offsetting and have no impact on sales margin.

[2] Tons are short tons (2,000 pounds).

Sales margin for the North American Coal segment decreased to a loss of $14.5 million during the year ended December 31, 2013, compared to a sales margin loss of $1.8 million during the year ended December 31, 2012. Sales margin per ton decreased to a loss of $1.99 per ton in 2013 compared to a sales margin loss of $0.28 per ton in the prior year.

Revenues from product sales and services were $821.9 million, which is a decrease of $44.0 million over the prior-year period, excluding the decrease of $15.2 million of freight and reimbursements, predominantly due to:

- A decrease in our realized product revenue rate of $135.1 million or 15.5 percent on a per-ton basis for the year ended December 31, 2013. This decline is a result of:
    - The downward trend in market pricing period over period, including a 24 percent decrease in the quarterly benchmark price, partially mitigated by annually priced contracts, carryover contracts and product mix from our high-volatile metallurgical coal,
    - Slightly offset by a shift in product sales mix. The sales mix for low-volatile metallurgical, high-volatile metallurgical and thermal coal was 69.6 percent, 21.6 percent and 8.8 percent, respectively, in 2013 compared to 68.1 percent, 19.9 percent and 12.0 percent, respectively, for 2012. The total mix impact was favorable by $1 per ton based on the higher price of low-volatile coal and lower rates for thermal coal.

- Partially offset by a sales volume increase of 762 thousand tons or 11.7 percent during the year ended December 31, 2013 in comparison to the prior year resulted in an increase in revenue of $91.1 million, primarily due to:
    - Increases in low-volatile and high-volatile metallurgical coal sales of 907 thousand tons in 2013 due to increased production volumes when compared to the prior year and the force majeure related to the April 2011 tornado that extended into April 2012,
    - Partially offset by a reduction in thermal coal sales of 145 thousand tons due to reduced market demand.

Cost of goods sold and operating expenses in 2013 decreased $31.3 million, excluding the decrease of $15.2 million of freight and reimbursements from the prior year, predominantly as a result of:

- Decreased costs related to labor of approximately $40.0 million and maintenance and external services of approximately $75.0 million at our mines with full operating production in 2012 and 2013 due to reduced headcount, cost savings measures and more effective operating efficiency; and
- Favorable variance in the lower-of-cost-or-market inventory charge of $13.3 million in comparison to the prior year as the lower-of-cost-or-market inventory charges at December 31, 2013 and 2012 were $11.1 million and $24.4 million, respectively,
- Partially offset by higher sales volume attributable to additional low-volatile and high-volatile metallurgical coal sales, as discussed above, resulted in an additional $90.8 million of costs; and
- The accelerated closure of the Dingess-Chilton mine during the first quarter of 2013 and Lower War Eagle mine moving into the production stage of mining in November 2012 resulted in the recording of $18.0 million or $2 per ton of additional depreciation and depletion during 2013.

Production

Production of low- and high-volatile metallurgical coal increased 18.2 percent in 2013 compared to 2012. Low-volatile production increased 803 thousand tons over the prior year due to improved operating efficiency. High-volatile metallurgical coal production levels in 2013 increased 212 thousand tons or 16.3 percent as a result of the Lower War Eagle mine moving into production during the fourth quarter of 2012, offset partially by the closure of Dingess-Chilton during the first quarter of 2013. Beginning in the second quarter of 2012 and continuing through 2013, we experienced a decline in demand for thermal coal. Accordingly, over this time period, we reduced production at our thermal mine to one shift to align production with customer demands. This resulted in reduced production of 188 thousand tons in 2013 compared to 2012. Due to increased thermal coal demand in 2014, we increased production at our thermal coal mine to two shifts beginning in the first quarter of 2014 to align production with 2014 customer demand. In the fourth quarter of 2014, we sold our CLCC assets. Production tons at CLCC were 2.1 million tons and 2.1 million tons for the years ended December 31, 2013 and 2012, respectively, and are included in the production tons disclosed above.

Eastern Canadian Iron Ore

Following is a summary of Eastern Canadian Iron Ore results for the years ended December 31, 2013 and 2012:

	(In Millions)								
	Year Ended December 31,		Change due to						
	2013	2012	Revenue and cost rate	Sales Volume	Idle cost / Production volume variance	Inventory write-down	Exchange Rate	Total change
Revenues from product sales and services	$ 978.7	$ 1,008.9	$ 27.7	$ (57.9)	$ —	$ —	$ —	$ (30.2)
Cost of goods sold and operating expenses	(1,082.0)	(1,130.3)	32.1	53.4	26.3	(72.5)	9.0	48.3
Sales margin	$ (103.3)	$ (121.4)	$ 59.8	$ (4.5)	$ 26.3	$ (72.5)	$ 9.0	$ 18.1

	Year Ended December 31,			
Per Ton Information	2013	2012	Difference	Percent change
Realized product revenue rate	$ 114.45	$ 112.93	$ 1.52	1.3 %
Cash production cost	91.68	108.24	(16.56)	(15.3)%
Non-production cash cost	13.98	0.35	13.63	n/m
Cost of goods sold and operating expenses rate (excluding DDA)	105.66	108.59	(2.93)	(2.7)%
Depreciation, depletion & amortization	20.87	17.93	2.94	16.4 %
Total cost of goods sold and operating expenses rate	126.53	126.52	0.01	— %
Sales margin	$ (12.08)	$ (13.59)	$ 1.51	n/m
Bloom Lake sales tons	5,665	5,693		
Wabush sales tons	2,886	3,241		
Sales tons [1] (In thousands)	8,551	8,934		
Bloom Lake production tons	5,877	5,450		
Wabush production tons	2,778	3,065		
Production tons [1] (In thousands)	8,655	8,515		

[1] Tons are metric tons (2,205 pounds).

We reported a sales margin loss for our Eastern Canadian Iron Ore segment of $103.3 million for the year ended December 31, 2013, compared with a sales margin loss of $121.4 million for the year ended December 31, 2012. Sales margin per ton improved to a loss of $12.08 per ton for the year ended December 31, 2013 compared to a sales margin loss of $13.59 per ton for 2012.

Revenue decreased by $30.2 million for the year ended December 31, 2013 when compared to prior year, primarily due to:

- Lower sales volumes of 383 thousand tons. The reduction in tons sold resulted in a decrease to revenue of $57.9 million, which was related primarily to the transition and idling of pellet production at Wabush as pellet sales decreased by 1.7 million tons period-over-period, offset partially by the sale of 1.4 million more metric tons of Wabush Scully mine sinter feed in 2013 compared with 2012,
- Partially offset by the increase to the average revenue rate, which resulted in an increase of $27.7 million, driven by changes in spot market pricing offset by lower pellet premiums due to a shift in product mix, primarily as a result of:
    - An increase to the Platts 62 percent Fe spot rate to an average of $135 per metric ton from $130 per metric ton in the prior year resulted in an increase of $5 per metric ton; and

- An increase due to favorable provisional pricing adjustments related to prior-year sales and higher premiums for iron content in comparison to the prior year, increasing the average revenue rate by $2 per metric ton and $1 per metric ton, respectively,
- Offset by a change in product mix as our Eastern Canadian Iron Ore segment ceased pellet production at our Wabush facility in June 2013 and began producing only sinter feed until the Wabush facility was idled at the end of March 2014 and we began to implement the permanent closure plan for the minein the fourth quarter of 2014. During 2013, 17 percent of products sold were pellets, compared to 36 percent in the prior year, which resulted in the realized revenue rate decreasing by $4 per metric ton due to lower average pellet premiums; and
- Further offset by timing impacts of a negative $2 per metric ton period over period, primarily due to approximately 300 thousand metric tons of carryover pellets that were in sold in 2012 and based on 2011 contract pricing, which was substantially higher due to 2011 full-year market pricing.

Cost of goods sold and operating expenses during the year ended December 31, 2013 decreased from 2012 by $48.3 million primarily due to:

- Lower sales volumes at the Wabush and Bloom Lake facilities resulted in decreased costs of $50.3 million and $3.1 million, respectively, compared to the prior year;
- Incremental idle production costs at our Wabush operations of $26.3 million in 2012 that did not recur in 2013; and
- Favorable foreign exchange rate variances of $9.0 million,
- Partially offset by inventory write-downs primarily at our Wabush facility of $68.0 million related to a supplies inventory write-down of $29.7 million, lower-of-cost-or-market charges of $19.8 million and unsaleable inventory impairment charges of $18.5 million recorded during 2013.

Production

The Bloom Lake facility produced 5.9 million and 5.4 million metric tons of iron ore concentrate during the years ended December 31, 2013 and 2012, respectively. During the first quarter of 2014, we announced that we were exploring various strategic alternatives for our Bloom Lake mine. We continued to operate the Bloom Lake mine Phase I operations on a reduced tailings and water management capital plan throughout 2014 and the Phase II expansion remained on hold. In the fourth quarter of 2014, all production at Bloom Lake mine was halted and the mine transitioned to "care-and-maintenance" status.

Production at the Wabush facility was 2.8 million and 3.1 million metric tons during the years ended December 31, 2013 and 2012, respectively. Due to high production costs and lower pellet premium pricing, we idled production at our Pointe Noire iron ore pellet plant and transitioned to producing an iron ore concentrate product from our Wabush Scully mine during June 2013. At the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and began to implement the permanent closure plan for the mine in the fourth quarter of 2014. The idle was driven by the unsustainable high cost structure, which resulted in operations that are not economically viable to run over time.

Liquidity, Cash Flows and Capital Resources

Our primary sources of liquidity are cash generated from our operating and financing activities. Our capital allocation process is focused on prioritizing all potential uses of future cash flows. We continue to focus on cash generation in our business operations as well as reductions of any discretionary expenditures in order to ensure we are positioned to face the challenges and uncertainties of the volatile pricing markets for our products.

Based on current mine plans and subject to future iron ore and coal prices and supply and demand, we expect our operating cash flows generated in 2015 to be sufficient to cover our budgeted capital expenditures and dividend requirements. Furthermore, we supplement this cash generation with adequate liquidity via financing arrangements to fund our normal business operations and strategic initiatives through our revolving credit agreement. During the fourth quarter of 2014, we generated positive cash flows from operations and were able to reduce our overall total debt less cash position by approximately $300 million, including the repurchase of $45 million aggregate principal amount of our senior notes. Additionally, in January 2015, we further reduced total debt by approximately $159 million through senior note repurchases in the open market with approximately $106 million of net proceeds from the sale of CLCC and cash from operations. Based on current market conditions, we expect to be able to fund our requirements for at least the next 12 months.

As a result of the Bloom Lake Group commencing restructuring proceedings under the CCAA, the initial order obtained on January 27, 2015 addressed the Bloom Lake Group's immediate liquidity issues by staying creditor claims and permitting the Bloom Lake Group to preserve and protect its assets for the benefit of all stakeholders while restructuring and/or sale options are explored. Certain obligations, including certain equipment loans, were guaranteed by Cliffs and totaled approximately $145 million. Through this court monitored process, we anticipate the restructuring and/or sale of the Bloom Lake Group assets may mitigate the impact of these obligations to Cliffs' liquidity during 2015. Cash and cash equivalents of the Bloom Lake Group were $17.2 million at December 31, 2014.

Refer to “Outlook” for additional guidance regarding expected future results, including projections on pricing, sales volume and production for our various businesses.

The following discussion summarizes the significant activities impacting our cash flows during 2014 as well as those expected to impact our future cash flows over the next 12 months. Refer to the Statements of Consolidated Cash Flows for additional information.

Operating Activities

Net cash provided by operating activities decreased to $358.9 million for the year ended December 31, 2014, compared to cash provided by operating activities of $1,145.9 million for 2013. The decrease in operating cash flows in 2014 were primarily due to lower operating results as previously discussed.

Net cash provided by operating activities improved to $1,145.9 million for the year ended December 31, 2013, compared to cash provided by operating activities of $514.5 million for 2012. The increase in operating cash flow in 2013 was primarily due to the timing of payments related to 2011 income taxes in early 2012, other changes in working capital and reduced exploration and selling, general and administrative costs.

We expect economic growth in the U.S. to continue in 2015, and correspondingly expect steel demand to remain at healthy levels. While the industry demand will be supported by an improving housing market and a strengthened automotive sector, demand from energy companies is expected to decrease as oil prices remain at depressed levels. Additionally, the steel industry should face continued pressure from surging imports, which reached record levels in 2014, as the strength of the U.S. dollar continues to increase and continued oversupply of the global steel industry. In China, demand for steel should increase slightly compared to 2014, although at a rate far below growth percentages recorded earlier in the decade. In 2014, the increase in seaborne supply of iron ore was expected by many, but the slowdown in demand from Chinese end markets was unexpected and negatively impacted spot prices for iron ore. We expect seaborne iron ore prices to remain pressured unless there are vast structural changes to the supply/demand picture, including increased Chinese demand or iron ore capacity cuts.

Coupled with efficient tax structures, our U.S. operations and our financing arrangements provide sufficient capital resources; however, if we were to repatriate earnings, we would be subject to income tax. Our U.S. cash and cash equivalents balance at December 31, 2014 was $136.1 million, or approximately 46.8 percent of our consolidated total cash and cash equivalents balance of $290.9 million. As of December 31, 2014 and 2013, we had no restrictions on our borrowing capacity of our U.S.-based revolving credit facility inclusive of the changes made through Amendment No. 6. Furthermore, historically we have been able to raise additional capital through private financings and public debt and equity offerings, the bulk of which, to date, have been U.S.-based. If the demand for our product weakens and/or pricing deteriorates for a prolonged period, we have the financial and operational flexibility to reduce production, delay capital expenditures, sell assets and reduce overhead costs to provide liquidity in the absence of cash flow from operations.

Investing Activities

Net cash used in investing activities was $103.6 million for the year ended December 31, 2014, compared with $811.3 million for 2013. We had capital expenditures of $284.1 million and $861.6 million for the years ended December 31, 2014 and 2013, respectively. Offsetting our investments in property, plant and equipment, during 2014, we had cash proceeds from investing activities of $155.0 million from the sale of CLCC.

Net cash used by investing activities was $811.3 million for the year ended December 31, 2013, compared with $961.8 million for 2012. We had capital expenditures of $861.6 million and $1,127.5 million for the years ended December 31, 2013 and 2012, respectively. Our main capital investment focus had been on the construction of the Bloom Lake mine's operations. On the ramp-up and expansion projects at Bloom Lake mine, we spent approximately $426 million and approximately $475 million during the years ended December 31, 2013 and 2012, respectively. In addition, the expenditures for the Bloom Lake tailings and water management system totaled $191 million and $99 million in 2013 and 2012, respectively.

Up until the first quarter of 2014, our main capital investment focus was on the construction of the Bloom Lake mine's operations, at which time we placed the Phase II expansion on hold. We subsequently determined that the Phase II expansion of the Bloom Lake mine was no longer a viable option for us and we shifted our focus to considering available possibilities and executing an exit option for Eastern Canadian Iron Ore operations that minimizes the cash outflows and associated liabilities. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode. Prior to Bloom Lake mine entering "care and maintenance" mode, on the expansion projects at the Bloom Lake mine, we spent approximately $51 million and approximately $426 million during the years ended December 31, 2014 and 2013, respectively, which predominately relates to work performed in 2013. In addition, the expenditures for the Bloom Lake tailings and water management system totaled $92 million and $191 million in 2014 and 2013, respectively. Additionally, we spent approximately $140 million and $203 million globally on expenditures related to sustaining capital excluding the Bloom Lake tailings and water management in 2014 and 2013, respectively. Sustaining capital spend includes infrastructure, mobile equipment, environmental, safety, fixed equipment, product quality and health.

In alignment with our strategy to focus on allocating capital among key priorities related to liquidity management, and business investment, we anticipate total cash used for capital expenditures in 2015 to be approximately $125 million to $150 million.

Financing Activities

Net cash used by financing activities was $288.3 million for the year ended December 31, 2014, compared with $171.9 million for 2013. Net cash used includes dividend distributions of $143.7 million and $127.6 million for the years ended December 31, 2014 and 2013, respectively. Additionally, cash used by financing activities during 2014 included $28.8 million for the repurchase of senior notes and $20.9 million for the repayment of equipment loans. In 2013, we had net repayments under our credit facilities of $325.0 million, which was partially offset by cash provided by financing activities of $164.8 million from equipment loans. Additionally, we completed public offerings of 29.25 million depositary shares and 10.35 million common shares, resulting in net proceeds of $709.4 million and $285.3 million, respectively, after underwriting fees and discounts of which a portion of the net proceeds were used to repay the $847.1 million outstanding under the term loan.

Net cash used by financing activities during 2013 was $171.9 million, compared to net cash provided by financing activities of $119.6 million for 2012. Cash flows provided by financing activities during 2012 included $497.0 million in net proceeds from the issuance of the $500.0 million 3.95 percent senior notes, completed through a public offering in December 2012. A portion of the net proceeds from the senior notes offering was used on December 28, 2012 to repay the $270.0 million and $55.0 million aggregate principal amount of outstanding private placement senior notes and also for the repayment of a portion of the borrowings outstanding under the term loan facility and the revolving credit facility. In addition, we had net borrowings and repayments under the revolving credit facility of $325.0 million and cash calls from our joint venture partners resulted in net cash receipts of $95.4 million. Offsetting the proceeds from financing activities in 2012 were dividend distributions of $307.2 million and $124.8 million for term loan repayments.

On September 10, 2014, we announced that our Board of Directors approved a buy back of outstanding common shares in the open market or in private negotiated transactions up to a maximum of $200 million dollars. We are not obligated to make any purchases, and the repurchase program may be suspended or discontinued at any time. The authorization is active until December 31, 2015.

On January 26, 2015, we announced that our Board of Directors had decided to eliminate the quarterly dividend of $0.15 per share on our common shares. The decision is applicable to the first quarter of 2015 and all subsequent quarters. The elimination of the common share dividend provides us with additional free cash of approximately $92 million annually, which we intend to use for further debt reduction, including the repurchase of senior notes at a discount. We see accelerated debt reduction as a more effective means of protecting our shareholders than continuing to pay a common share dividend.

The following represents our future cash commitments and contractual obligations as of December 31, 2014:

	Payments Due by Period [1] (In Millions)				
Contractual Obligations	Total	Less than 1 Year	1 - 3 Year	3 - 5 Year	More Than 5 Years
Long-term debt	$ 2,995.8	$ 21.8	$ 46.3	$ 530.1	$ 2,397.6
Interest on debt [2]	1,901.0	163.0	323.4	278.6	1,136.0
Operating lease obligations	51.2	12.0	17.7	11.6	9.9
Capital lease obligations	198.6	84.8	61.0	31.8	21.0
Purchase obligations:					
Open purchase orders	174.3	144.9	29.4	—	—
Minimum royalty payments	34.7	2.8	5.7	15.3	10.9
Minimum "take or pay" purchase commitments [3]	1,229.8	382.7	624.8	148.6	73.7
Total purchase obligations	1,438.8	530.4	659.9	163.9	84.6
Other long-term liabilities:					
Pension funding minimums	216.7	42.5	34.2	73.8	66.2
OPEB claim payments	461.7	6.8	13.6	14.4	426.9
Environmental and mine closure obligations	261.2	5.2	7.9	55.3	192.8
Personal injury	12.0	4.0	4.9	0.4	2.7
Total other long-term liabilities	951.6	58.5	60.6	143.9	688.6
Total	$ 7,537.0	$ 870.5	$ 1,168.9	$ 1,159.9	$ 4,337.7

[1] Includes our consolidated obligations.

[2] For the $500 million senior notes, interest is calculated using a fixed rate of 3.95 percent from 2015 to maturity in January 2018. For the $400 million senior notes, interest is calculated using a fixed rate of 5.90 percent from 2015 to maturity in March 2020. For the $1.3 billion senior notes, interest is calculated for the $500 million 10-year notes using a fixed rate of 4.80 percent from 2015 to maturity in October 2020, and the $800 million 30-year notes using a fixed rate of 6.25 percent from 2015 to maturity in October 2040. For the $700 million senior notes, interest is calculated using a fixed rate of 4.875 percent from 2015 to maturity in April 2021. For the $140.8 million of equipment loans, interest is calculated using the fixed rate associated with each of the equipment loans from 2015 to maturity in 2020.

[3] Includes minimum railroad transportation obligations, minimum electric power demand charges, minimum coal, diesel and natural gas obligations and minimum port facility obligations.

The above table does not reflect $74.7 million of unrecognized tax benefits, which we have recorded for uncertain tax positions as we are unable to determine a reasonable and reliable estimate of the timing of future payments. Included in the above table are the cash commitments and contractual obligations associated with the Bloom Lake Group that have been included in the CCAA filing, most of which we believe will be treated as unsecured claims. Because of the uncertainty of the CCAA process, we are unable to determine a reasonable and reliable estimate of amounts and timing of future payments related to the obligations of the Bloom Lake Group.

Refer to NOTE 20 - COMMITMENTS AND CONTINGENCIES of the Consolidated Financial Statements for additional information regarding our future commitments and obligations.

Capital Resources

We expect to fund our business obligations from available cash, current and future operations and existing borrowing arrangements. We also may pursue other funding strategies in the capital markets to strengthen our liquidity. The following represents a summary of key liquidity measures as of December 31, 2014 and December 31, 2013:

	(In Millions)	
	December 31, 2014	December 31, 2013
Cash and cash equivalents	**$ 290.9**	$ 335.5
Available revolving credit facility	**$ 1,125.0**	$ 1,750.0
Revolving loans drawn	**—**	—
Senior notes	**2,855.0**	2,900.0
Senior notes drawn	**(2,855.0)**	(2,900.0)
Letter of credit obligations and other commitments	**(149.5)**	(8.4)
Borrowing capacity available	**$ 975.5**	$ 1,741.6

Our primary source of funding is our revolving credit facility, which matures on October 16, 2017. We also have cash on hand, generated by the business, which totaled $290.9 million as of December 31, 2014. The combination of cash and availability under the credit facility gave us approximately $1.3 billion in liquidity entering the first quarter of 2015, which is expected to be used to fund operations and capital expenditures. As noted below, however, the availability under our revolving credit agreement was reduced to $900 million in January 2015 and will be reduced to $750 million on May 31, 2015.

On January 22, 2015, we amended the revolving credit agreement (Amendment No. 6) to effect the following:

- Reduces the size of the existing facility from $1.125 billion to $900 million at the closing of this amendment with a further reduction to $750 million on May 31, 2015.
- Permits certain of our subsidiaries and joint ventures related to our Canadian operations (collectively, the "Canadian Entities") to enter into a restructuring (the "Canadian Restructuring").
- Permits costs and expenses incurred in connection with the Canadian Restructuring in an amount not to exceed $75 million to be added back to the calculation of EBITDA.
- Adds limitations with respect to investments in the Canadian Entities after the Canadian Restructuring.
- Adds limitations on the guaranty of indebtness of a Canadian Entity by us or our subsidiaries (other than by another Canadian Entity).
- Permits additional liens on the assets of the Canadian Entities.
- Reduces the permitted amount of quarterly dividends on our common shares to not more than $0.01 per share in any fiscal quarter.
- Grants a security interest in our as-extracted collateral and certain of our subsidiaries.
- Excludes certain indebtness and obligations of the Canadian Entities from the representations, covenants and events of default.

The amended facility retains substantial financial flexibility for management to execute our strategy and provides us a consistent source of liquidity.

On October 24, 2014, we amended the revolving credit agreement (Amendment No 5.) to effect the following:

- Reduces the size of the existing facility from $1.250 billion to $1.125 billion.
- Grants a valid and perfected first-priority (subject to certain permitted liens) security interest in certain property and assets of the Company and certain of its subsidiaries, subject to customary exclusions all specified in a security agreement.

- With effect as of September 30, 2014, removes the maximum balance sheet leverage ratio of debt to capitalization of less than 45 percent, which was a covenant introduced in June 2014, and replaces that covenant with a maximum leverage ratio covenant of secured debt to EBITDA that is not to exceed 3.5 times.
- Retains the minimum interest coverage ratio requirement of 3.5 times, and was subsequently reduced to 2.0 times upon completion of certain collateral actions within 60 days of the execution of the amendment. The collateral requirements were satisfied as of December 23, 2014.
- Subjects restricted payments (including the $200 million share repurchase, which was approved in September 2014) and current dividend structure to a $400 million liquidity test.
- Adds limitations regarding acquisitions, investments (including investments in non-wholly owned subsidiaries and joint ventures) and subsidiary debt.
- Eliminates the accounts receivable securitization facility.
- Terminates the ability to have foreign borrowers under the revolving credit agreement.

The amended facility retains substantial financial flexibility for management to execute our strategy and provides us a consistent source of liquidity.

On September 9, 2014, we amended the revolving credit agreement (Amendment No. 4) to effect the following:

- Permitting a one-time exemption of up to $200 million in share repurchases (consummated in a single transaction or series of related transactions), effective until December 31, 2015. We are not obligated to make any purchases and the program may be suspended or discontinued at any time.
- Reducing the size of the existing unsecured facility from $1.75 billion to $1.25 billion.
- Adding restrictions on the granting of certain pledges and guarantees.
- Adding an obligation to enter into a security agreement, on or before June 30, 2015, to grant security interests to secure obligations under the revolving credit agreement on U.S. receivables and inventory, other than receivables and related property subject to certain existing receivable securitization or other facilities, a pledge of 65 percent of the stock of all material, wholly-owned first-tier foreign subsidiaries and a pledge of all of the stock of all material U.S. subsidiaries, in each case, subject to certain limitations.

All terms of Amendment No. 3 as of June 30, 2014, as discussed below, remained in place and were not changed by Amendment No. 4 as of September 9, 2014.

On June 30, 2014, we amended the revolving credit agreement (Amendment No. 3) to effect the following:

- Replacing the current maximum leverage covenant ratio of debt to earnings of less than 3.5 times with a maximum balance sheet leverage ratio of debt to capitalization of less than 45 percent.
- Resetting the minimum interest coverage ratio from 2.5 to 1.0 to the ratio of 3.5 to 1.0.
- Amending the definition of EBITDA to include certain cash charges related to the Company's Wabush mine and other cash restructuring charges and the definition of net worth to exclude up to $1 billion in non-cash impairment charges.
- Modifying the covenants restricting certain investments and acquisitions, the incurrence of certain indebtedness and liens, and the amount of dividends that may be declared or paid and shares that may be repurchased.

As of December 31, 2014 and 2013, we were in compliance with all applicable financial covenants related to the revolving credit agreement.

Although we believe that the revolving credit agreement provides us sufficient liquidity to support our operating and investing activities, we continue to refine our capital structure to achieve an optimal mix and level of debt, equity and other prudent financing arrangements. Several credit markets may provide additional capacity should that become necessary. The bank market may provide funding through a secured credit facility, term loan or bridge loan. Additionally, we have access to the bond market as a source of capital. The risk associated with these credit markets is a significant increase in borrowing costs as a result of limited capacity and market conditions.

As we have previously disclosed, we have contemplated replacing our revolving credit facility with a secured asset-based revolving credit facility, and we are currently in discussions with lenders about putting such a facility in place. We cannot guarantee that we will be successful in obtaining an asset-based revolving credit facility on commercially acceptable terms or at all.

We intend from time to time to seek to retire or purchase our outstanding senior notes with cash on hand, borrowings from existing credit sources or new debt financings and/or exchanges for debt or equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to certain off-balance sheet arrangements. These arrangements include minimum "take or pay" purchase commitments, such as minimum electric power demand charges, minimum coal, diesel and natural gas purchase commitments, minimum railroad transportation commitments and minimum port facility usage commitments; financial instruments with off-balance sheet risk, such as bank letters of credit and bank guarantees; and operating leases, which primarily relate to equipment and office space. Liabilities related to these arrangements are not reflected on our Statements of Consolidated Financial Position. However, the underlying obligations that they secure, such as asset retirement obligations, self-insured workers' compensation liabilities, royalty obligations and certain post-retirement benefit obligations, are reflected in our Statements of Consolidated Financial Position.

We may be required to provide financial assurance in order to perform the post-mining reclamation required by our mining permits, pay our production royalties, pay workers' compensation claims under self-insured workers' compensation laws in various states, pay retiree benefits and perform certain other obligations. In order to provide the required financial assurance, we generally use surety bonds and/or letters of credit, and, effective with Amendment No. 5 to the revolving credit agreement, letters of credit are primarily issued under our revolving credit facility. Previously we had an unsecured, uncommitted letter of credit line with Scotiabank. With the recent credit rating downgrades, we experienced an increase in requests for financial assurance to be provided. Additionally, with the Bloom Lake Group CCAA filing, approximately $15 million of surety bonds and letters of credit backing obligations have been called and settled in cash in early 2015.

Market Risks

We are subject to a variety of risks, including those caused by changes in commodity prices, foreign currency exchange rates and interest rates. We have established policies and procedures to manage such risks; however, certain risks are beyond our control.

Pricing Risks

Commodity Price Risk

Our consolidated revenues include the sale of iron ore pellets, iron ore concentrate, iron ore lump and fines, low-volatile metallurgical coal, high-volatile metallurgical coal and thermal coal. However, during the fourth quarter of 2014, we sold our high-volatile metallurgical coal and thermal coal mines in the sale of the CLCC assets. The sale of the CLCC assets closed on December 31, 2014, and therefore beyond 2014, we will no longer have revenues associated with high-volatile metallurgical coal and thermal coal. Our financial results can vary significantly as a result of fluctuations in the market prices of iron ore and coal. World market prices for these commodities have fluctuated historically and are affected by numerous factors beyond our control. The world market price that most commonly is utilized in our iron ore sales contracts is the Platts 62 percent Fe fines spot rate pricing, which can fluctuate widely due to numerous factors, such as global economic growth or contraction, change in demand for steel or changes in availability of supply.

Provisional Pricing Arrangements

Certain of our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customer supply agreements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate to be based on market inputs at a specified point in time in the future, per the terms of the supply agreements. The difference between the provisionally agreed-upon price and the estimated final revenue rate is characterized as a derivative and is required to be accounted for separately once the revenue has been recognized. The derivative instrument is adjusted to fair value through *Product revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rate is determined.

At December 31, 2014, we have recorded $11.8 million as derivative liabilities included in *Other current liabilities* in the Statements of Consolidated Financial Position related to our estimate of final sales rate with our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customers. These amounts represent the difference between the provisional price agreed upon with our customers based on the supply agreement terms and our estimate of the final sales rate based on the price calculations established in the supply agreements. As a result, we recognized a net $11.8 million decrease, respectively, in *Product revenues* in the Statements of Consolidated Operations for the year ended December 31, 2014 related to these arrangements.

Customer Supply Agreements

Certain supply agreements with one U.S. Iron Ore customer provide for supplemental revenue or refunds based on the customer's average annual steel pricing at the time the product is consumed in the customer's blast furnace. The supplemental pricing is characterized as a freestanding derivative, which is finalized based on a future price, and is adjusted to fair value as a revenue adjustment each reporting period until the pellets are consumed and the amounts are settled. The fair value of the instrument is determined using an income approach based on an estimate of the annual realized price of hot-rolled steel at the steelmaker's facilities.

At December 31, 2014, we had a derivative asset of $63.2 million, representing the fair value of the pricing factors, based upon the amount of unconsumed tons and an estimated average hot-band steel price related to the period in which the tons are expected to be consumed in the customer's blast furnace at each respective steelmaking facility, subject to final pricing at a future date. This compares with a derivative asset of $55.8 million as of December 31, 2013. As an example, we estimate that a $75 change in the average hot-band steel price realized from the December 31, 2014 estimated price recorded would cause the fair value of the derivative instrument to increase or decrease by approximately $8.8 million, thereby impacting our consolidated revenues by the same amount.

We have not entered into any hedging programs to mitigate the risk of adverse price fluctuations; however, certain of our term supply agreements contained price collars, which typically limit the percentage increase or decrease in prices for our products during any given year.

Volatile Energy and Fuel Costs

The volatile cost of energy is an important issue affecting our production costs, primarily in relation to our iron ore operations. Our consolidated U.S. Iron Ore mining ventures consumed approximately 20.4 million MMBtu's of natural gas at an average delivered price of $6.31 per MMBtu and 29.3 million gallons of diesel fuel at an average delivered price of $3.11 per gallon during 2014. Consumption of diesel fuel by our Asia Pacific operations was approximately 14.7 million gallons at an average delivered price of $3.19 per gallon for the same period. Our consolidated Eastern Canadian Iron Ore mining ventures consumed approximately 7.6 million gallons of diesel fuel at an average delivered price of $4.03 per gallon during 2014. We would not anticipate significant consumption of fuel at our consolidated Eastern Canadian Iron Ore facilities during 2015 as a result our of strategy to execute an exit option for Eastern Canadian Iron Ore operations during 2015. Our CLCC operations consumed approximately 3.4 million gallons of diesel fuel at an average delivered price of $3.49 per gallon during 2014. Our CLCC assets were sold in fourth quarter of 2014 with the sale closing on December 31, 2014.

In the ordinary course of business, there also will be likely increases in prices relative to electrical costs at our U.S. mine sites. Specifically, our Tilden and Empire mines in Michigan have made the decision to return to regulated utility service with WE Energies effective February 1, 2015, which we estimate will result in an increase of approximately $5 per MWh over our average 2014 rates. As the cost of producing electricity increases, the utility companies regularly seek to reclaim those costs from the mine sites, which often results in tariff disputes.

Our strategy to address increasing energy rates includes improving efficiency in energy usage, identifying alternative providers and utilizing the lowest cost alternative fuels. A pilot energy hedging program has been implemented in order to manage the price risk of diesel and natural gas at our U.S. Iron Ore mines. This pilot program only affects the period of January through April of 2015. Based on the results of this pilot program, a more structured hedging program may be implemented in the future. We will continue to monitor relevant energy markets for risk mitigation opportunities and may make additional forward purchases or employ other hedging instruments in the future as warranted and deemed appropriate by management. Assuming we do not enter into further hedging activity in the near term, a 10 percent change in electrical, natural gas and diesel fuel prices would result in a change of approximately $39.5 million in our annual fuel and energy cost based on expected consumption for 2015.

Foreign Currency Exchange Rate Risk

We are subject to changes in foreign currency exchange rates primarily as a result of our operations in Australia and Canada, which could impact our financial condition. With respect to Australia, foreign exchange risk arises from our exposure to fluctuations in foreign currency exchange rates because our reporting currency is the U.S. dollar, but the functional currency of our Asia Pacific operations is the Australian dollar. Our Asia Pacific operations receive funds in U.S. currency for their iron ore sales and incur costs in Australian currency. For our Canadian operations, the functional currency is the U.S. dollar; however, most costs for these operations primarily are incurred in the Canadian dollar. The primary objective for the use of foreign exchange rate contracts is to reduce exposure to changes in Australian and U.S. currency exchange rates and Canadian and U.S. currency exchange rates, respectively, and to protect against undue adverse movement in these exchange rates.

At December 31, 2014, we had outstanding Australian foreign currency exchange rate contracts with notional amounts of $220.0 million with varying maturity dates ranging from January 2015 to October 2015 for which we elected hedge accounting. To evaluate the effectiveness of our hedges, we conduct sensitivity analysis. A 10 percent increase in the value of the Australian dollar from the month-end rate would increase the fair value of these contracts to approximately negative $1.6 million, and a 10 percent decrease would reduce the fair value to approximately negative $41.3 million. At December 31, 2014, we had no outstanding Canadian foreign currency exchange rate contracts for which we elected hedge accounting. In the fourth quarter of 2014, all outstanding Canadian foreign exchange rate contracts were de-designated and hedge accounting was discontinued. As a result of discontinued hedge accounting, the instruments are marked to fair value each reporting period through *Cost of goods sold and operating expenses* on the Statements of Consolidated Operations. We do not intend to enter into Canadian foreign exchange rate hedging contracts going forward. Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further discussion of the de-designation of the Canadian foreign currency exchange contracts. In the future, we may enter into additional hedging instruments as needed in order to further hedge our exposure to changes in foreign currency exchange rates.

The following table represents our foreign currency exchange contract position for contracts held as cash flow hedges as of December 31, 2014:

	($ in Millions)			
Contract Maturity	**Notional Amount**	**Weighted Average Exchange Rate**	**Spot Rate**	**Fair Value**
Contract Portfolio [1]:				
AUD Contracts expiring in the next 12 months	$ 220.0	0.90	0.8175	$ (21.6)

[1] Includes collar options and forward contracts.

Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Interest Rate Risk

Interest payable on our senior notes is at fixed rates. Interest payable under our revolving credit facility is at a variable rate based upon the base rate or the LIBOR rate plus a margin depending on a leverage ratio. As of December 31, 2014, we had no amounts drawn on the revolving credit facility.

The interest rate payable on the $500 million 3.95 percent senior notes due 2018 may be subject to adjustments from time to time if either Moody's or S&P or, in either case, any substitute rating agency thereof downgrades (or subsequently upgrades) the debt rating assigned to the notes. In no event shall (1) the interest rate for the notes be reduced to below the interest rate payable on the notes on the date of the initial issuance of notes or (2) the total increase in the interest rate on the notes exceed 2.00 percent above the interest rate payable on the notes on the date of the initial issuance of notes. The interest rate payable on the $500 million 3.95 percent senior notes was increased to 5.95 percent based on continued Substitute Rating Agency downgrades in January 2015. The maximum rate increase of 2.00 percent for the interest rate payable on the notes will result in an additional interest expense of $10.0 million per annum.

Supply Concentration Risks

Many of our mines are dependent on one source each of electric power and natural gas. A significant interruption or change in service or rates from our energy suppliers could impact materially our production costs, margins and profitability.

Outlook

Beginning in 2015, in order to provide more financial transparency to our stakeholders, we will be providing full-year expected revenues-per-ton ranges based on different assumptions of seaborne iron ore prices. We indicated that each different pricing assumption holds all other assumptions constant, including customer mix, as well as industrial commodity prices, freight rates, energy prices, production input costs and/or hot-band steel prices (all factors contained in certain of our supply agreements).

We previously furnished 2015 pricing expectations in a Current Report on Form 8-K filed on November 19, 2014. Due to the significant decline in both hot-band steel and energy prices, we have since lowered our assumptions with respect to these contract inputs. Below are the updated 2015 pricing expectations in a Current Report on Form 8-K filed on February 3, 2015.

2015 Full-Year Realized Revenues-Per-Ton Range Summary		
Platts IODEX (1)	**U.S. Iron Ore (2)**	**Asia Pacific Iron Ore (3)**
$50	$75 - $80	$30 - $35
$55	$80 - $85	$35 - $40
$60	$80 - $85	$40 - $45
$65	$80 - $85	$45 - $50
$70	$80 - $85	$50 - $55
$75	$80 - $85	$55 - $60
$80	$85 - $90	$60 - $65

(1) The Platts IODEX is the benchmark assessment based on a standard specification of iron ore fines with 62 percent iron content (C.F.R. China).

(2) U.S. Iron Ore tons are reported in long tons of pellets.

(3) Asia Pacific Iron Ore tons are reported in metric tons of lumps and fines, F.O.B. the port.

U.S. Iron Ore Outlook (Long Tons)

For 2015, we expect full-year sales and production volume of approximately 22 million tons from our U.S. Iron Ore business. As previously disclosed, we do not plan to export any pellets out of the Great Lakes in 2015.

Our full-year 2015 U.S. Iron Ore cash production cost expectation is $55 - $60 per ton. Our cash cost of goods sold per ton expectation is $60 - $65. This expectation reflects operational improvements including reduced headcount, more efficient maintenance practices and improvements in logistics. Depreciation, depletion and amortization for full-year 2015 is expected to be approximately $5 per ton.

Asia Pacific Iron Ore Outlook (Metric Tons, F.O.B. the port)

Our full-year 2015 Asia Pacific Iron Ore expected sales and production volume is approximately 11 million tons. The product mix is expected to be approximately 51 percent lump and 49 percent fines iron ore. This expectation assumes no divestiture of this business in 2015, which may or may not occur.

Based on an average exchange rate of $0.81 U.S. Dollar to Australian Dollar, full-year 2015 Asia Pacific Iron Ore cash production cost per ton is expected to be approximately $40 - $45. Cash cost of goods sold per ton is also expected to be $40 - $45. This expectation reflects operational improvements and a more favorable foreign exchange rate compared to 2014. We indicated that for every $0.01 change in this exchange rate on a full-year basis, our cash cost of goods sold is impacted by approximately $7 million.

We anticipate depreciation, depletion and amortization to be approximately $2 per ton for full-year 2015.

North American Coal Outlook (Short Tons, F.O.B. the mine)

Our full-year 2015 North American Coal expected sales and production volume is approximately 5.5 million tons of low-volatile metallurgical coal from the two remaining mines, Pinnacle and Oak Grove. This expectation assumes no additional divestiture of this business in 2015, which may or may not occur.

Our full-year 2015 North American Coal revenues-per-ton outlook is $70 - $75. We have approximately 41 percent of our expected 2015 sales volume committed and priced at approximately $77 per short ton at the mine.

Our full-year 2015 North American Coal cash production cost expectation is $65 - $70 per ton. Our cash cost of goods sold per ton expectation is $70 - $75. Full-year 2015 depreciation, depletion and amortization is expected to be approximately $2 per ton.

The following table provides a summary of the 2015 guidance for our three remaining business segments:

	2015 Outlook Summary		
	U.S. Iron Ore (A)	Asia Pacific Iron Ore (B)	North American Coal (C)
Sales volume (million tons)	**22**	**11**	**5.5**
Production volume (million tons)	**22**	**11**	**5.5**
Cash production cost per ton	**$55 - $60**	**$40 - $45**	**$65 - $70**
Cash cost of goods sold per ton	**$60 - $65**	**$40 - $45**	**$70 - $75**
DD&A per ton	**$5**	**$2**	**$2**

(A) U.S. Iron Ore tons are reported in long tons of pellets.

(B) Asia Pacific Iron Ore tons are reported in metric tons of lumps and fines.

(C) North American Coal tons are reported in short tons.

Cash production cost and cash cost of goods sold per ton are non-GAAP financial measures that management uses in evaluating operating performance. The presentation of these measures is not intended to be considered in isolation from, as a substitute for, or as superior to, the financial information prepared and presented in accordance with U.S. GAAP. The presentation of these measures may be different from non-GAAP financial measures used by other companies. Cash production cost per ton is defined as cost of goods sold and operating expenses per ton less depreciation, depletion and amortization; as well as period costs, costs of services and inventory effects per ton. Cash cost per ton is defined as cost of goods sold and operating expenses per ton less depreciation, depletion and amortization per ton.

SG&A Expenses and Other Expectations

We are reducing our year-over-year SG&A expenses by approximately $70 million. Full-year 2015 SG&A expenses are expected to be approximately $140 million. The decrease is primarily driven by a reduction in headcount and reduced outside services spending as a result of a smaller global footprint. Cliffs' full-year cash outflow expectation for exploration spending is expected to be less than $5 million.

Consolidated full-year 2015 depreciation, depletion and amortization is expected to be approximately $150 million.

Capital Budget Update

We expect our full-year 2015 capital expenditures budget to be $125 - $150 million.

Recently Issued Accounting Pronouncements

Refer to NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES of the consolidated financial statements for a description of recent accounting pronouncements, including the respective dates of adoption and effects on results of operations and financial condition.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. Preparation of financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the related disclosures of contingencies. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are fairly presented in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Management believes that the following critical accounting estimates and judgments have a significant impact on our financial statements.

Revenue Recognition

U.S. Iron Ore and Asia Pacific Iron Ore Provisional Pricing Arrangements

Most of our U.S. Iron Ore long-term supply agreements are comprised of a base price with annual price adjustment factors. The base price is the primary component of the purchase price for each contract. The inflation-indexed price adjustment factors are integral to the iron ore supply contracts and vary based on the agreement, but typically include adjustments based upon changes in benchmark and international pellet prices and changes in specified Producers Price Indices, including those for industrial commodities excluding fuel, cold rolled steel and strip, and fuel and related products. The pricing adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement. In most cases, these adjustment factors have not been finalized at the time our product is sold. In these cases, we historically have estimated the adjustment factors at each reporting period based upon the best third-party information available. The estimates are then adjusted to actual when the information has been finalized.

The Producer Price Indices remain an estimated component of the sales price throughout the contract year and are estimated each quarter using publicly available forecasts of such indices. The final indices referenced in certain of the U.S. Iron Ore supply contracts typically are not published by the U.S. Department of Labor until the second quarter of the subsequent year. As a result, we record an adjustment for the difference between the fourth quarter estimate and the final price in the following year.

Throughout the year, certain of our Asia Pacific Iron Ore customers have contract arrangements in which pricing settlements are based upon an average benchmark pricing for future periods. Most of the future periods are settled within three months. To the extent the particular pricing settlement period is subsequent to the reporting period, we estimate the final pricing settlement based upon information available. Similar to U.S. Iron Ore, the estimates are then adjusted to actual when the price settlement period elapses.

Historically, provisional pricing arrangement adjustments have not been material as they have represented less than half of one percent of U.S., Eastern Canadian and Asia Pacific Iron Ore's respective revenues for each of the three preceding fiscal years ended December 31, 2014, 2013 and 2012.

U.S. Iron Ore Customer Supply Agreements

In addition, certain supply agreements with one U.S. Iron Ore customer include provisions for supplemental revenue or refunds based on the customer's average annual steel pricing for the year that the product is consumed in the customer's blast furnaces. The supplemental pricing is characterized as a freestanding derivative and is required to be accounted for separately once the product is shipped. The derivative instrument, which is finalized based on a future price, is marked to fair value as a revenue adjustment each reporting period until the pellets are consumed and the amounts are settled. The fair value of the instrument is determined using a market approach based on an estimate of the annual realized price of hot rolled steel at the steelmaker's facilities, and takes into consideration current market conditions and nonperformance risk. At December 31, 2014, we had a derivative asset of $63.2 million, representing the fair value of the pricing factors, based upon the amount of unconsumed tons and an estimated average hot band steel price related to the period in which the tons are expected to be consumed in the customer's blast furnace at each respective steelmaking facility, subject to final pricing at a future date. This compares with a derivative asset of $55.8 million as of December 31, 2013, based upon the amount of unconsumed tons and the related estimated average hot band steel price.

The customer's average annual price is not known at the time of sale and the actual price is received on a delayed basis at the end of the year, once the average annual price has been finalized. As a result, we estimate the average price and adjust the estimate to actual in the fourth quarter when the information is provided by the customer at the end of each year. Information used in developing the estimate includes such factors as production and pricing information from the customer, current spot prices, third-party analyst forecasts, publications and other industry information. The accuracy of our estimates typically increases as the year progresses based on additional information in the market becoming available and the customer's ability to more accurately determine the average price it will realize for the year. The following represents the historical accuracy of our pricing estimates related to the derivative as well as the impact on revenue resulting from the difference between the estimated price and the actual price for each quarter during 2014, 2013 and 2012 prior to receiving final information from the customer for tons consumed during each year:

	2014			2013			2012		
	Final Price	**Estimated Price**	**Impact on Revenue (in millions)**	Final Price	Estimated Price	Impact on Revenue (in millions)	Final Price	Estimated Price	Impact on Revenue (in millions)
First Quarter	**$651**	**$645**	**$1.5**	$622	$630	($1.2)	$650	$698	($9.8)
Second Quarter	**651**	**650**	**2.7**	622	614	3.0	650	678	(7.9)
Third Quarter	**651**	**653**	**(3.4)**	622	633	(2.1)	650	663	(3.3)
Fourth Quarter	**651**	**651**	**—**	622	622	—	650	650	—

As an example, we estimate that a $75 change in the average hot band steel price realized from the December 31, 2014 estimated price recorded for the unconsumed tons remaining at year end would cause the fair value of the derivative instrument to increase or decrease by approximately $8.8 million, thereby impacting our consolidated revenues by the same amount.

Mineral Reserves

We regularly evaluate our economic mineral reserves and update them as required in accordance with SEC Industry Guide 7. The estimated mineral reserves could be affected by future industry conditions, geological conditions and ongoing mine planning. Maintenance of effective production capacity of the mineral reserve could require increases in capital and development expenditures. Generally, as mining operations progress, haul lengths and lifts increase. Alternatively, changes in economic conditions or the expected quality of mineral reserves could decrease capacity or mineral reserves. Technological progress could alleviate such factors or increase capacity of mineral reserves.

We use our mineral reserve estimates, combined with our estimated annual production levels, to determine the mine closure dates utilized in recording the fair value liability for asset retirement obligations. Refer to NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS , for further information. Since the liability represents the present value of the expected future obligation, a significant change in mineral reserves or mine lives would have a substantial effect on the recorded obligation. We also utilize economic mineral reserves for evaluating potential impairments of mine assets and in determining maximum useful lives utilized to calculate depreciation and amortization of long-lived mine assets. Increases or decreases in mineral reserves or mine lives could significantly affect these items.

Asset Retirement Obligations and Environmental Remediation Costs

The accrued mine closure obligations for our active mining operations provide for contractual and legal obligations associated with the eventual closure of the mining operations. Our obligations are determined based on detailed estimates adjusted for factors that a market participant would consider (i.e., inflation, overhead and profit), which are escalated at an assumed rate of inflation to the estimated closure dates, and then discounted using the current credit-adjusted risk-free interest rate. The estimate also incorporates incremental increases in the closure cost estimates and changes in estimates of mine lives. The closure date for each location is determined based on the exhaustion date of the remaining iron ore reserves, which is dependent on our estimate of the economically recoverable mineral reserves. The estimated obligations are particularly sensitive to the impact of changes in mine lives given the difference between the inflation and discount rates. Changes in the base estimates of legal and contractual closure costs due to changes in legal or contractual requirements, available technology, inflation, overhead or profit rates also would have a significant impact on the recorded obligations.

We have a formal policy for environmental protection and restoration. Our obligations for known environmental matters at active and closed mining operations and other sites have been recognized based on estimates of the cost of investigation and remediation at each site. If the obligation can only be estimated as a range of possible amounts, with no specific amount being more likely, the minimum of the range is accrued. Management reviews its environmental remediation sites quarterly to determine if additional cost adjustments or disclosures are required. The characteristics of environmental remediation obligations, where information concerning the nature and extent of clean-up activities is not immediately available and which are subject to changes in regulatory requirements, result in a significant risk of increase to the obligations as they mature. Expected future expenditures are not discounted to present value unless the amount and timing of the cash disbursements can be reasonably estimated. Potential insurance recoveries are not recognized until realized. Refer to NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS, for further information.

Income Taxes

Our income tax expense, deferred tax assets and liabilities and reserves for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

Deferred income taxes arise from temporary differences between tax and financial statement recognition of revenue and expense. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, we begin with historical results adjusted for the results of discontinued operations and changes in accounting policies and incorporate assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income (loss).

At December 31, 2014 and 2013, we had a valuation allowance of $ 2,224.5 million and $864.1 million, respectively, against our deferred tax assets. Our losses in certain locations in recent periods represented sufficient negative evidence to require a full valuation allowance against certain deferred tax assets. Additionally, significant Alternative Minimum tax credits have been generated in recent years. Sufficient negative evidence suggests that the credits will not be realized in the foreseeable future, and a full valuation allowance has been recorded on the deferred tax asset. We intend to maintain a valuation allowance against the deferred tax assets related to these operating losses, credits and allowances until sufficient positive evidence exists to support the realization of such assets.

Changes in tax laws and rates also could affect recorded deferred tax assets and liabilities in the future. Management is not aware of any such changes that would have a material effect on the Company's results of operations, cash flows or financial position.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations.

Accounting for uncertainty in income taxes recognized in the financial statements requires that a tax benefit from an uncertain tax position be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on technical merits.

We recognize tax liabilities in accordance with ASC 740, and we adjust these liabilities when our judgment changes as a result of evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in payment that is materially different from our current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

Valuation of Goodwill

Goodwill represents the excess purchase price paid over the fair value of the net assets of acquired companies. We assign goodwill arising from acquired companies to the reporting units that are expected to benefit from the synergies of the acquisition. Our reporting units are either at the operating segment level or a component one level below our operating segments that constitutes a business for which management generally reviews production and financial results of that component. Decisions are often made as to capital expenditures, investments and production plans at the component level as part of the ongoing management of the related operating segment. We have determined that our Asia Pacific Iron Ore and Ferroalloys operating segments constitute separate reporting units, that CQIM and our Wabush mine within our Eastern Canadian Iron Ore operating segment constitute reporting units, and that our Northshore mine within our U.S. Iron Ore operating segment constitutes a reporting unit. Goodwill is allocated among and evaluated for impairment at the reporting unit level in the fourth quarter of each year or as circumstances occur that potentially indicate that the carrying amount of these assets may not be recoverable.

We use a two-step process to test goodwill for impairment. In the first step, we generally use a discounted cash flow analysis to determine the fair value of each reporting unit, which considers forecasted cash flows discounted at an estimated weighted average cost of capital. In assessing the valuation of our goodwill, significant assumptions regarding the estimated future cash flows and other factors to determine the fair value of a reporting unit must be made, including among other things, estimates related to long-term price expectations, foreign currency exchange rates, expected capital expenditures and working capital requirements, which are based upon our long-range plan and life of mine estimates. If the discounted cash flow analysis yields a fair value estimate less than the reporting unit's carrying value, we would proceed to step two of the impairment test. In the second step, the implied fair value of the reporting unit's goodwill is determined by allocating the reporting unit's fair value to the assets and liabilities other than goodwill in a manner similar to a purchase price allocation. In performing this allocation of fair value to the assets and liabilities of the reporting unit, we typically utilize third-party valuation firms to support the fair values allocated. The resulting implied fair value of the goodwill that results from the application of this second step is then compared to the carrying amount of the goodwill and, if the carrying amount exceeds the implied fair value, an impairment charge is recorded for the difference. If these estimates were to change in the future as a result of changes in strategy or market conditions, we may be required to record impairment charges for these assets in the period such determination was made.

During the third quarter of 2014, a goodwill impairment charge of $73.5 million was recorded for our Asia Pacific Iron Ore operating segment. The impairment charge was primarily a result of changes in estimates of long-term price forecasts were updated as part of management’s long-range planning process.

During the fourth quarter of 2013, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. The impairment charge was primarily a result of the decision to indefinitely suspend the Chromite Project and to not allocate significant additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online.

After performing our annual goodwill impairment test in the fourth quarter of 2012, we determined that $997.3 million and $2.7 million, respectively, of goodwill associated with our CQIM and Wabush reporting units, which are both included in the Eastern Canadian Iron Ore segment, was impaired as the carrying value of these reporting units exceeded their fair value.

As of December 31, 2014, our remaining value of goodwill is associated with our U.S. Iron Ore segment. The fair value of our Northshore reporting unit was substantially in excess of our carrying values as identified during our annual goodwill impairment test. The value of goodwill at our Northshore reporting unit totals $2.0 million. No other goodwill remains as of December 31, 2014.

Refer to NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES , for further information regarding our policy on goodwill impairment.

Valuation of Long-Lived Assets

In assessing the recoverability of our long-lived assets, significant assumptions regarding the estimated future cash flows and other factors to determine the fair value of the respective assets must be made, as well as the related estimated useful lives. If these estimates or their related assumptions change in the future as a result of changes in strategy or market conditions, we may be required to record impairment charges for these assets in the period such determination was made.

We monitor conditions that indicate that the carrying value of an asset or asset group may be impaired. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available. An impairment loss exists when projected undiscounted cash flows are less than the carrying value of the assets. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the assets. Fair value can be determined using a market approach, income approach or cost approach. The impairment analysis and fair value determination can result in substantially different outcomes based on critical assumptions and estimates including the quantity and quality of remaining economic ore reserves, future iron ore prices and production costs.

During the third and fourth quarter of 2014, we identified factors that indicate the carrying values of various asset groups may not be recoverable. Primary factors include that estimates of long-term price forecasts were updated as part of management's long-range planning process. Updated estimates of long-term prices for all products, specifically the Platts 62 percent Fe fines spot price, which particularly effects Eastern Canadian Iron Ore and Asia Pacific Iron Ore business segments because their contracts correlate heavily to world market spot pricing, and the benchmark price for premium low-volatile hard coking coal were lower than prior estimates. These estimates were updated based upon current market conditions, macro-economic factors influencing the balance of supply and demand for our products and expectations for future cost and capital expenditure requirements. Additional factors include a new CEO, Lourenco Goncalves, appointed by the Board of Directors in early August 2014 and subsequently identified as the CODM in accordance with ASC 280, *Segment Reporting*. The new CODM views Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys as non-core assets and has communicated plans to evaluate the business units for a change in strategy including possible divestiture. These factors, among other considerations utilized in the individual impairment assessments, indicate that the carrying value of the respective asset groups, which resulted in an impairment of other long-lived assets of $8,956.4 million for the year ended December 31, 2014.

During the fourth quarter of 2013, we continued to experience higher than expected production costs and operational inefficiencies at our Wabush operations within our Eastern Canadian Iron Ore operating segment that have resulted in continued declines in our profitability of that business, which represents an asset group for purposes of testing our long-lived assets for recoverability. Upon completion of an impairment analysis, it was determined the fair value was less than the carrying value of the asset group, which resulted in an impairment of other long-lived assets of $154.6 million at December 31, 2013.

Due to lower than previously expected profits as a result of decreased iron ore pricing expectations and higher than anticipated production costs, we determined that indicators of impairment with respect to certain of our long-lived assets groups existed at December 31, 2012. Our asset groups generally consist of the assets and liabilities of one or more mines, preparation plants and associated reserves for which the lowest level of identifiable cash flows largely are independent of cash flows of other mines, preparation plants and associated reserves. As a result of this assessment, we determined that the cash flows associated with our Eastern Canadian pelletizing operations were not sufficient to support the recoverability of the carrying value of these productive assets. Accordingly, an asset impairment charge of $49.9 million was recorded related to the Wabush mine property, plant and equipment that were reported in our Eastern Canadian Iron Ore operating segment during the fourth quarter of 2012. No impairment charges were identified in connection with our other long-lived asset groups as of December 31, 2012.

Refer to NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, NOTE 4 - PROPERTY, PLANT AND EQUIPMENT and NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information regarding our policy on asset impairment, detail on our remaining PP&E and mineral rights and non-recurring fair value measurements.

Employee Retirement Benefit Obligations

We offer defined benefit pension plans, defined contribution pension plans and other postretirement benefit plans, primarily consisting of retiree healthcare benefits, to most employees in North America as part of a total compensation and benefits program. We do not have employee retirement benefit obligations at our Asia Pacific Iron Ore operations. The defined benefit pension plans largely are noncontributory and benefits generally are based on employees' years of service and average earnings for a defined period prior to retirement or a minimum formula.

Following is a summary of our defined benefit pension and OPEB funding and expense for the years 2012 through 2015:

	Pension		OPEB	
	Funding	Expense	Funding	Expense
2012	$ 67.7	$ 55.2	$ 39	$ 28.1
2013	53.7	52.1	25.5	17.4
2014	**60.5**	**31.3**	**7.3**	**(0.7)**
2015 (Estimated)	36.8	23.6	6.8	6.0

Assumptions used in determining the benefit obligations and the value of plan assets for defined benefit pension plans and postretirement benefit plans (primarily retiree healthcare benefits) that we offer are evaluated periodically by management. Critical assumptions, such as the discount rate used to measure the benefit obligations, the expected long-term rate of return on plan assets, the medical care cost trend, and the rate of compensation increase are reviewed annually.

As of December 31, 2014 and 2013, we used the following assumptions:

	Pension and Other Benefits	
	2014	2013
U.S. plan discount rate	**3.83 %**	4.57 %
Canadian pension plan discount rate	**3.75**	4.50
Canadian OPEB plan discount rate	**3.75**	4.75
U.S. rate of compensation increase - Salaried	**3.00**	4.00
U.S. rate of compensation increase - Hourly	**2.50**	3.00
Canadian rate of compensation increase	**3.00**	4.00
U.S. pension plan expected return on plan assets	**8.25**	8.25
U.S. OPEB plan expected return on plan assets	**7.00**	7.00
Canadian expected return on plan assets	**7.25**	7.25

The decrease in the discount rates in 2014 was driven by the change in bond yields, which were down approximately 80 basis points compared to the prior year.

Additionally, on December 31, 2014, we adopted the RP-2014 mortality tables projected generationally using scale MP-2014 with blue collar and white collar adjustments made for certain hourly and salaried groups, to determine the expected life of our plan participants, replacing the IRS 2014 prescribed mortality tables for our U.S. plans. For the Canadian plans, we adopted the 2014 Private Sector Canadian Pensioners' Mortality Table for the hourly plans and the 2014 Canadian Pensioners' Mortality Table for the salaried plans, where both tables were projected generationally using scale CPM-B, replacing the UP 1994 table with full projection.

Following are sensitivities of potential further changes in these key assumptions on the estimated 2015 pension and OPEB expense and the pension and OPEB benefit obligations as of December 31, 2014:

	Increase in Expense (In Millions)		Increase in Benefit Obligation (In Millions)	
	Pension	OPEB	Pension	OPEB
Decrease discount rate .25 percent	$ 2.3	$ 0.7	$ 35.3	$ 13.6
Decrease return on assets 1 percent	9.2	2.6	N/A	N/A
Increase medical trend rate 1 percent	N/A	6.4	N/A	49.6

Changes in actuarial assumptions, including discount rates, employee retirement rates, mortality, compensation levels, plan asset investment performance and healthcare costs, are determined based on analyses of actual and expected factors. Changes in actuarial assumptions and/or investment performance of plan assets may have a significant impact on our financial condition due to the magnitude of our retirement obligations. Refer to NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS in *Item 8. Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for further information.

Forward-Looking Statements

This report contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to Cliffs' operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this report, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Uncertainties and risk factors that could affect Cliffs' future performance and cause results to differ from the forward-looking statements in this report include, but are not limited to:

- our ability to successfully execute an exit option for Bloom Lake mine that minimizes the cash outflows and associated liabilities of our Canadian operations including the CCAA process;
- trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices;
- our actual levels of capital spending;
- availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans;
- uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China;
- our ability to successfully identify and consummate any strategic investments and complete planned divestitures;
- the outcome of any contractual disputes with our customers, joint venture partners or significant energy, material or service providers or any other litigation or arbitration;
- the ability of our customers and joint venture partners to meet their obligations to us on a timely basis or at all;
- our ability to reach agreement with our iron ore customers regarding any modifications to sales contract provisions;
- the impact of price-adjustment factors on our sales contracts;
- changes in sales volume or mix;
- our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve;
- the impact of our customers using other methods to produce steel or reducing their steel production;
- events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets, as well as any resulting impairment charges;
- the results of prefeasibility and feasibility studies in relation to projects;
- impacts of existing and increasing governmental regulation and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity and costs related to implementing improvements to ensure compliance with regulatory changes;

- our ability to cost-effectively achieve planned production rates or levels;
- uncertainties associated with natural disasters, weather conditions, unanticipated geological conditions, supply or price of energy, equipment failures and other unexpected events;
- adverse changes in currency values, currency exchange rates, interest rates and tax laws;
- our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms;
- risks related to international operations;
- availability of capital equipment and component parts;
- the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; and
- problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry.

For additional factors affecting the business of Cliffs, refer to *Part I – Item 1A. Risk Factors.* You are urged to carefully consider these risk factors.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Information regarding our Market Risk is presented under the caption *Market Risks*, which is included in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and is incorporated by reference and made a part hereof.

Item 8. ***Financial Statements and Supplementary Data***

Statements of Consolidated Financial Position

Cliffs Natural Resources Inc. and Subsidiaries

	(In Millions)	
	December 31,	
	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 290.9**	$ 335.5
Accounts receivable, net	**205.6**	270.0
Inventories	**326.7**	391.4
Supplies and other inventories	**195.2**	216.0
Income tax receivable	**237.7**	74.1
Other current assets	**192.8**	273.0
TOTAL CURRENT ASSETS	**1,448.9**	1,560.0
PROPERTY, PLANT AND EQUIPMENT, NET	**1,414.9**	11,153.4
OTHER ASSETS		
Deferred income taxes	**156.4**	41.5
Other non-current assets	**143.8**	367.0
TOTAL OTHER ASSETS	**300.2**	408.5
TOTAL ASSETS	**$ 3,164.0**	$ 13,121.9

(continued)

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

Statements of Consolidated Financial Position

Cliffs Natural Resources Inc. and Subsidiaries - (Continued)

	(In Millions)	
	December 31,	
	2014	2013
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	**$ 272.1**	$ 345.5
Accrued employment costs	**99.5**	129.0
Income taxes payable	**1.0**	55.6
State and local taxes payable	**52.5**	61.7
Current portion of debt	**21.8**	20.9
Accrued expenses	**255.3**	206.4
Accrued royalties	**31.2**	57.3
Current portion of capital leases	**74.5**	49.0
Other current liabilities	**150.7**	160.1
TOTAL CURRENT LIABILITIES	**958.6**	1,085.5
POSTEMPLOYMENT BENEFIT LIABILITIES		
Pensions	**275.4**	197.5
Other postretirement benefits	**119.8**	96.5
TOTAL POSTEMPLOYMENT BENEFIT LIABILITIES	**395.2**	294.0
ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS	**256.0**	309.7
DEFERRED INCOME TAXES	**51.3**	1,146.5
LONG-TERM DEBT	**2,962.3**	3,022.6
OTHER LIABILITIES	**274.9**	379.3
TOTAL LIABILITIES	**4,898.3**	6,237.6
COMMITMENTS AND CONTINGENCIES (SEE NOTE 20)		
EQUITY		
CLIFFS SHAREHOLDERS' EQUITY		
Preferred Stock - no par value		
Class A - 3,000,000 shares authorized		
7% Series A Mandatory Convertible, Class A, no par value and $1,000 per share liquidation preference (See Note 15)		
Issued and Outstanding - 731,223 shares (2013 - 731,250)	**731.3**	731.3
Class B - 4,000,000 shares authorized		
Common Shares - par value $0.125 per share		
Authorized - 400,000,000 shares (2013 - 400,000,000 shares);		
Issued - 159,546,224 shares (2013 - 159,546,224 shares);		
Outstanding - 153,246,754 shares (2013 - 153,126,291 shares)	**19.8**	19.8
Capital in excess of par value of shares	**2,309.8**	2,329.5
Retained earnings (Accumulated deficit)	**(3,960.7)**	3,407.3
Cost of 6,299,470 common shares in treasury (2013 - 6,419,933 shares)	**(285.7)**	(305.5)
Accumulated other comprehensive loss	**(245.8)**	(112.9)
TOTAL CLIFFS SHAREHOLDERS' EQUITY (DEFICIT)	**(1,431.3)**	6,069.5
NONCONTROLLING INTEREST (DEFICIT)	**(303.0)**	814.8
TOTAL EQUITY (DEFICIT)	**(1,734.3)**	6,884.3
TOTAL LIABILITIES AND EQUITY (DEFICIT)	**$ 3,164.0**	$ 13,121.9

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

Statements of Consolidated Operations

Cliffs Natural Resources Inc. and Subsidiaries

	(In Millions, Except Per Share Amounts)		
	Year Ended December 31,		
	2014	2013	2012
REVENUES FROM PRODUCT SALES AND SERVICES			
Product	**$ 4,230.8**	$ 5,346.6	$ 5,520.9
Freight and venture partners' cost reimbursements	**392.9**	344.8	351.8
	4,623.7	5,691.4	5,872.7
COST OF GOODS SOLD AND OPERATING EXPENSES	**(4,172.3)**	(4,542.1)	(4,700.6)
SALES MARGIN	**451.4**	1,149.3	1,172.1
OTHER OPERATING INCOME (EXPENSE)			
Selling, general and administrative expenses	**(208.7)**	(231.6)	(282.5)
Exploration costs	**(8.8)**	(59.0)	(142.8)
Impairment of goodwill and other long-lived assets	**(9,029.9)**	(250.8)	(1,049.9)
Gain (loss) on disposal of other assets	**(423.0)**	16.7	1.2
Miscellaneous - net	**(226.3)**	46.4	(6.9)
	(9,896.7)	(478.3)	(1,480.9)
OPERATING INCOME (LOSS)	**(9,445.3)**	671.0	(308.8)
OTHER INCOME (EXPENSE)			
Interest expense, net	**(185.2)**	(179.1)	(195.6)
Other non-operating income (expense)	**26.8**	(2.6)	2.6
	(158.4)	(181.7)	(193.0)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY INCOME (LOSS) FROM VENTURES	**(9,603.7)**	489.3	(501.8)
INCOME TAX BENEFIT (EXPENSE)	**1,302.0**	(55.1)	(255.9)
EQUITY LOSS FROM VENTURES, net of tax	**(9.9)**	(74.4)	(404.8)
INCOME (LOSS) FROM CONTINUING OPERATIONS	**(8,311.6)**	359.8	(1,162.5)
INCOME and GAIN ON SALE FROM DISCONTINUED OPERATIONS, net of tax	**—**	2.0	35.9
NET INCOME (LOSS)	**(8,311.6)**	361.8	(1,126.6)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	**1,087.4**	51.7	227.2
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	**$ (7,224.2)**	$ 413.5	$ (899.4)
PREFERRED STOCK DIVIDENDS	**(51.2)**	(48.7)	—
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS COMMON SHAREHOLDERS	**$ (7,275.4)**	$ 364.8	$ (899.4)
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CLIFFS SHAREHOLDERS - BASIC			
Continuing operations	**$ (47.52)**	$ 2.39	$ (6.57)
Discontinued operations	**—**	0.01	0.25
	$ (47.52)	$ 2.40	$ (6.32)
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CLIFFS SHAREHOLDERS - DILUTED			
Continuing operations	**$ (47.52)**	$ 2.36	$ (6.57)
Discontinued operations	**—**	0.01	0.25
	$ (47.52)	$ 2.37	$ (6.32)
AVERAGE NUMBER OF SHARES (IN THOUSANDS)			
Basic	**153,098**	151,726	142,351
Diluted	**153,098**	174,323	142,351

The accompanying notes are an integral part of theseconsolidated financial statements.

Statements of Consolidated Comprehensive Income (Loss)

Cliffs Natural Resources Inc. and Subsidiaries

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	**$ (7,224.2)**	$ 413.5	$ (899.4)
OTHER COMPREHENSIVE INCOME (LOSS)			
Pension and OPEB liability, net of tax	**(91.0)**	208.3	33.8
Unrealized net gain (loss) on marketable securities, net of tax	**(7.2)**	3.1	(0.5)
Unrealized net gain (loss) on foreign currency translation	**(42.3)**	(208.6)	3.8
Unrealized net gain (loss) on derivative financial instruments, net of tax	**2.8**	(29.6)	7.5
OTHER COMPREHENSIVE INCOME (LOSS)	**(137.7)**	(26.8)	44.6
OTHER COMPREHENSIVE LOSS (INCOME) ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	**4.8**	(30.5)	(7.6)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	**$ (7,357.1)**	$ 356.2	$ (862.4)

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

Statements of Consolidated Cash Flows

Cliffs Natural Resources Inc. and Subsidiaries

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
OPERATING ACTIVITIES			
Net income (loss)	**$ (8,311.6)**	$ 361.8	$ (1,126.6)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	**504.0**	593.3	525.8
Impairment of goodwill and other long-lived assets	**9,029.9**	250.8	1,049.9
Equity loss in ventures (net of tax)	**9.9**	74.4	404.8
Deferred income taxes	**(1,153.9)**	(138.1)	127.0
Changes in deferred revenue and below-market sales contracts	**(18.0)**	(52.8)	(24.5)
Loss on sale of Cliffs Logan County Coal	**419.6**	—	—
Other	**(37.7)**	(3.3)	(40.9)
Changes in operating assets and liabilities:			
Receivables and other assets	**(82.8)**	138.8	(74.8)
Product inventories	**37.8**	30.8	39.9
Payables and accrued expenses	**(38.3)**	(109.8)	(366.1)
Net cash provided by operating activities	**358.9**	1,145.9	514.5
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**(284.1)**	(861.6)	(1,127.5)
Proceeds from sale of Cliffs Logan County Coal	**155.0**	—	—
Proceeds from sale of Sonoma	**—**	—	152.6
Other investing activities	**25.5**	50.3	13.1
Net cash used in investing activities	**(103.6)**	(811.3)	(961.8)
FINANCING ACTIVITIES			
Net proceeds from issuance of Series A, Mandatory Convertible Preferred Stock, Class A	**—**	709.4	—
Net proceeds from issuance of common shares	**—**	285.3	—
Net proceeds from issuance of senior notes	**—**	—	497.0
Repayment of term loan	**—**	(847.1)	(124.8)
Borrowings under credit facilities	**1,219.5**	670.5	1,012.0
Repayment under credit facilities	**(1,219.5)**	(995.5)	(687.0)
Proceeds from equipment loans	**—**	164.8	—
Repayments of equipment loans	**(20.9)**	(3.0)	—
Repayment of senior notes	**—**	—	(325.0)
Repurchase of debt	**(28.8)**	—	—
Contributions (to)/by joint ventures, net	**(25.7)**	23.3	95.4
Common stock dividends	**(92.5)**	(91.9)	(307.2)
Preferred stock dividends	**(51.2)**	(35.7)	—
Other financing activities	**(69.2)**	(52.0)	(40.8)
Net cash (used in) provided by financing activities	**(288.3)**	(171.9)	119.6
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(11.6)**	(22.4)	1.3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(44.6)**	140.3	(326.4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**335.5**	195.2	521.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 290.9**	$ 335.5	$ 195.2

The accompanying notes are an integral part of these consolidated financial statements.
See NOTE 17 - CASH FLOW INFORMATION.

Statements of Consolidated Changes in Equity

Cliffs Natural Resources Inc. and Subsidiaries

(In Millions)

	Cliffs Shareholders									
	Number of Depositary Shares	Depositary Shares	Number of Common Shares	Common Shares	Capital in Excess of Par Value of Shares	Retained Earnings	Common Shares in Treasury	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
January 1, 2012	—	$ —	142.0	$ 18.5	$ 1,770.8	$ 4,424.3	$ (336.0)	$ (92.6)	$ 1,254.7	$ 7,039.7
Comprehensive income										
Net income	—	—	—	—	—	(899.4)	—	—	(227.2)	(1,126.6)
Other comprehensive income (loss)	—	—	—	—	—	—	—	37.0	7.6	44.6
Total comprehensive income (loss)									(219.6)	(1,082.0)
Purchase of subsidiary shares from noncontrolling interest	—	—	—	—	—	—	—	—	(2.1)	(2.1)
Undistributed losses to noncontrolling interest	—	—	—	—	—	—	—	—	0.4	0.4
Capital contribution by noncontrolling interest to subsidiary	—	—	—	—	1.6	—	—	—	102.8	104.4
Acquisition of controlling interest	—	—	—	—	—	—	—	—	(8.0)	(8.0)
Stock and other incentive plans	—	—	0.5	—	2.3	—	13.4	—	—	15.7
Common stock dividends ($2.16 per share)	—	—	—	—	—	(307.2)	—	—	—	(307.2)
December 31, 2012	—	$ —	142.5	$ 18.5	$ 1,774.7	$ 3,217.7	$ (322.6)	$ (55.6)	$ 1,128.2	$ 5,760.9
Comprehensive income										
Net income	—	—	—	—	—	413.5	—	—	(51.7)	361.8
Other comprehensive income (loss)	—	—	—	—	—	—	—	(57.3)	30.5	(26.8)
Total comprehensive income (loss)									(21.2)	335.0
Equity offering	—	—	10.4	1.3	284.0	—	—	—	—	285.3
Capital contribution by noncontrolling interest to subsidiary	—	—	—	—	0.2	(0.6)	—	—	5.6	5.2
Acquisition of controlling interest	—	—	—	—	295.4	(82.7)	—	—	(314.8)	(102.1)
Undistributed losses to noncontrolling interest	—	—	—	—	—	—	—	—	17.0	17.0
Stock and other incentive plans	—	—	0.3	—	(2.9)	—	17.1	—	—	14.2
Depositary Shares	29.3	731.3	—	—	(21.9)	—	—	—	—	709.4
Common stock dividends ($0.60 per share)	—	—	—	—	—	(91.9)	—	—	—	(91.9)
Preferred stock dividends ($1.66 per depositary share)	—	—	—	—	—	(48.7)	—	—	—	(48.7)
December 31, 2013	29.3	$ 731.3	153.2	$ 19.8	$ 2,329.5	$ 3,407.3	$ (305.5)	$ (112.9)	$ 814.8	$ 6,884.3
Comprehensive income										
Net income	—	—	—	—	—	(7,224.2)	—	—	(1,087.4)	(8,311.6)
Other comprehensive income (loss)	—	—	—	—	—	—	—	(132.9)	(4.8)	(137.7)
Total comprehensive income (loss)									(1,092.2)	(8,449.3)
Capital contribution to noncontrolling interest to subsidiary	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(25.5)	(25.5)
Stock and other incentive plans	—	—	—	—	(19.7)	—	19.8	—	—	0.1
Common stock dividends ($0.60 per share)	—	—	—	—	—	(92.5)	—	—	—	(92.5)
Preferred stock dividends ($1.75 per depositary share)	—	—	—	—	—	(51.3)	—	—	—	(51.3)
December 31, 2014	29.3	$ 731.3	153.2	$ 19.8	$ 2,309.8	$ (3,960.7)	$ (285.7)	$ (245.8)	$ (303.0)	$ (1,734.3)

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

Cliffs Natural Resources Inc. and Subsidiaries

Notes to Consolidated Financial Statements

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Summary

We are an international mining and natural resources company, a major global iron ore producer and a producer of low-volatile metallurgical coal. In the U.S., we operate five iron ore mines in Michigan and Minnesota, and two low-volatile metallurgical coal operations located in Alabama and West Virginia. In the fourth quarter of 2014, we sold our CLCC assets, which consisted of two high-volatile metallurgical coal mines and one thermal coal mine. The sale was completed on December 31, 2014. As such, our results include the CLCC results through the day of the sale completion. As of December 31, 2014, our Asia Pacific operations consist solely of our Koolyanobbing iron ore mining complex in Western Australia. We also own two iron ore mines in Eastern Canada. In the first quarter of 2014, Wabush Scully mine in Newfoundland and Labrador was idled and subsequently moved to permanent closure during the fourth quarter. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode. Our operations are organized according to product category and geographic location: U.S. Iron Ore, Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore.

Significant Accounting Policies

We consider the following policies to be beneficial in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact our financial condition, results of operations and cash flows.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions related to mineral reserves future realizable cash flow; environmental, reclamation and closure obligations; valuation of long-lived assets and investments; valuation of inventory; valuation of post-employment, post-retirement and other employee benefit liabilities; valuation of tax assets; reserves for contingencies and litigation; and the fair value of derivative instruments. Actual results could differ from estimates. On an ongoing basis, management reviews estimates. Changes in facts and circumstances may alter such estimates and affect results of operations and financial position in future periods.

Basis of Consolidation

The consolidated financial statements include our accounts and the accounts of our wholly owned and majority-owned subsidiaries, including the following operations at December 31, 2014:

Name	Location	Ownership Interest	Operation	Status of Operations
Northshore	Minnesota	100.0%	Iron Ore	Active
United Taconite	Minnesota	100.0%	Iron Ore	Active
Tilden	Michigan	85.0%	Iron Ore	Active
Empire	Michigan	79.0%	Iron Ore	Active
Koolyanobbing	Western Australia	100.0%	Iron Ore	Active
Pinnacle	West Virginia	100.0%	Coal	Active
Oak Grove	Alabama	100.0%	Coal	Active
CLCC	West Virginia	100.0%	Coal	Assets sold as of December 31, 2014
Wabush	Newfoundland and Labrador/ Québec, Canada	100.0%	Iron Ore	Permanent closure
Bloom Lake	Québec, Canada	82.8%	Iron Ore	Care-and-maintenance
Cliffs Chromite Ontario - Black Label Deposit	Ontario, Canada	100.0%	Chromite	Suspended
Cliffs Chromite Ontario - Black Thor Deposit	Ontario, Canada	100.0%	Chromite	Suspended
Cliffs Chromite Ontario & Cliffs Chromite Far North - Big Daddy Deposit	Ontario, Canada	70.0%	Chromite	Suspended

Intercompany transactions and balances are eliminated upon consolidation.

Noncontrolling Interests

During the fourth quarter of 2013, CQIM's interest in Bloom Lake increased by an aggregate of 7.8 percent after CQIM paid both its own and WISCO's proportionate shares of the cash call for the first half of 2013. As a result of our cash call payments, CQIM was issued a total of 457,556 new Bloom Lake units, increasing our interest to 82.8 percent in Bloom Lake and diluting WISCO's interest to 17.2 percent. The new unit issuance decreased equity attributable to WISCO by $314.8 million for the year ended December 31, 2013 by decreasing WISCO's interest in Bloom Lake's accumulated deficit. We accounted for the increase in ownership as an equity transaction, which resulted in a $314.8 million increase to equity attributable to Cliffs' shareholders.

Immaterial Error

In connection with our acquisition of Consolidated Thompson in May 2011, the Company acquired a 75 percent controlling interest in Bloom Lake. For financial reporting purposes, the Company fully consolidates Bloom Lake in the accompanying financial statements and allocates a portion of its consolidated results of operations and shareholders' equity, which is reported as *Loss attributable to noncontrolling interest* in the Statements of Consolidated Operations and *Noncontrolling interest* in the Statements of Consolidated Financial Position.

As a result of the application of ASC 805, *Business Combinations*, we allocated the purchase price to the assets, liabilities and noncontrolling interest at the acquisition date of May 11, 2011 based on their fair values. These fair value adjustments were recorded in the opening balance sheet and consolidated results of operations; however, subsequent effects of the amortization of these fair value adjustments were not allocated to the noncontrolling interest.

In accordance with U.S. GAAP, management has quantitatively and qualitatively evaluated the materiality of the error and has determined that the misstatement was immaterial to the interim and annual financial statements previously filed from June 30, 2011 through December 31, 2013. Accordingly, the adjustment was recorded prospectively in the Statements of Consolidated Operations for the period ended December 31, 2013 and in the Statements of Consolidated Financial Position as of December 31, 2013. The adjustment to noncontrolling interest related to Bloom Lake was approximately $45.1 million and resulted in an increase to *Net Income (Loss) Attributable to Cliffs Shareholders* and a reduction of *Loss attributable to noncontrolling interest* and corresponding decrease to *Noncontrolling interest* in the Statements of Consolidated Financial Position for the year end and as of December 31, 2013. The adjustments also resulted in an increase to basic and diluted earnings per common share of $0.30 and $0.26, respectively, for the year ended December 31, 2013. No other financial statement line items were impacted by this adjustment. The prior period amounts included within the accompanying Consolidated Financial Statements have not been retrospectively adjusted for this impact due to management's materiality assessment as discussed above. The impact of the prospective adjustments in the Statements of Consolidated Operations would have resulted in an increase to basic and diluted earnings per common share of $0.25 and $0.07 for the years ended December 31, 2012 and 2011, respectively.

Cash Equivalents

Cash and cash equivalents include cash on hand and on deposit as well as all short-term securities held for the primary purpose of general liquidity. We consider investments in highly liquid debt instruments with an original maturity of three months or less from the date of acquisition to be cash equivalents. We routinely monitor and evaluate counterparty credit risk related to the financial institutions by which our short-term investment securities are held.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in Cliffs' existing accounts receivable. We establish provisions for losses on accounts receivable when it is probable that all or part of the outstanding balance will not be collected. We regularly review our accounts receivable balances and establish or adjust the allowance as necessary using the specific identification method. The allowance for doubtful accounts was $8.1 million at December 31, 2014 and 2013. There was $9.0 million of bad debt expense for the year ended December 31, 2012. There was no bad debt expense for the years ended December 31, 2014 and 2013.

Inventories

U.S. Iron Ore

U.S. Iron Ore product inventories are stated at the lower of cost or market. Cost of iron ore inventories is determined using the LIFO method.

We had approximately 1.4 million tons and 1.2 million tons of finished goods stored at ports and customer facilities on the lower Great Lakes to service customers at December 31, 2014 and 2013, respectively. We maintain ownership of the inventories until title has transferred to the customer, usually when payment is received. Maintaining ownership of the iron ore products at ports on the lower Great Lakes reduces risk of non-payment by customers.

Asia Pacific Iron Ore

Asia Pacific Iron Ore product inventories are stated at the lower of cost or market. Costs of inventories are being valued on a weighted average cost basis. We maintain ownership of the inventories until title has transferred to the customer, which generally is when the product is loaded into the vessel.

North American Coal

North American Coal product inventories are stated at the lower of cost or market. Cost of coal inventories is calculated using the weighted average cost. We maintain ownership until coal is loaded into rail cars at the mine for domestic sales and until loaded in the vessels at the terminal for export sales.

Eastern Canadian Iron Ore

Iron ore pellet inventories are stated at the lower of cost or market. Cost is determined using the LIFO method. We maintain ownership of the inventories until title has transferred to the customer, which is generally when the product is loaded into the vessel.

Iron ore concentrate inventories are stated at the lower of cost or market. The cost of iron ore concentrate inventories is determined using weighted average cost. We maintain ownership of the inventories until title has transferred to the customer, which generally is when the product is loaded into the vessel.

Supplies and Other Inventories

Supply inventories include replacement parts, fuel, chemicals and other general supplies, which are expected to be used or consumed in normal operations. Supply inventories also include critical spares. Critical spares are replacement parts for equipment that is critical for the continued operation of the mine or processing facilities.

Supply inventories are stated at the lower of cost or market using average cost, less an allowance for obsolete and surplus items. The allowance for obsolete and surplus items was $68.2 million and $63.4 million at December 31, 2014 and 2013, respectively.

Derivative Financial Instruments and Hedging Activities

We are exposed to certain risks related to the ongoing operations of our business, including those caused by changes in commodity prices, interest rates and foreign currency exchange rates. We have established policies and procedures, including the use of certain derivative instruments, to manage such risks.

Derivative financial instruments are recognized as either assets or liabilities in the Statements of Consolidated Financial Position and measured at fair value. On the date a derivative instrument is entered into, we generally designate a qualifying derivative instrument as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability or forecasted transaction (cash flow hedge). We formally document all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to specific firm commitments or forecasted transactions. We also formally assess both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the related hedged items. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, we discontinue hedge accounting prospectively and record all future changes in fair value in the period of the instrument's earnings or losses. The policy allows for not more than 75 percent, but not less than 40 percent for up to 12 months and not less than 10 percent for up to 15 months, of forecasted net currency exposures that are probable to occur.

For derivative instruments that have been designated as cash flow hedges, the effective portion of the changes in fair value are recorded in accumulated other comprehensive income (loss) and any portion that is ineffective is recorded in current period earnings or losses. Amounts recorded in accumulated other comprehensive income (loss) are reclassified to earnings or losses in the period the underlying hedged transaction affects earnings or when the underlying hedged transaction is no longer reasonably possible of occurring.

For derivative instruments that have not been designated as cash flow hedges, changes in fair value are recorded in the period of the instrument's earnings or losses.

Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Property, Plant and Equipment

Our properties are stated at the lower of cost less accumulated depreciation or fair value. Depreciation of plant and equipment is computed principally by the straight-line method based on estimated useful lives, not to exceed the mine lives. The Northshore, United Taconite, Empire, Tilden and Wabush operations use the double-declining balance method of depreciation for certain mining equipment. The Asia Pacific Iron Ore operation uses the production output method for certain mining equipment. Depreciation is provided over the following estimated useful lives:

Asset Class	Basis	Life
Buildings	Straight line	45 Years
Mining equipment	Straight line/Double declining balance	3 to 20 Years
Processing equipment	Straight line	10 to 45 Years
Electric power facilities	Straight line	10 to 45 years
Land improvements	Straight line	20 to 45 years
Office and information technology	Straight line	3 to 15 Years

Depreciation continues to be recognized when operations temporarily are idled.

Our Asia Pacific Iron Ore, Bloom Lake, Wabush, and United Taconite operations' interests in iron ore reserves and mineralized materials were valued when acquired using a discounted cash flow method. The fair value was estimated based upon the present value of the expected future cash flows from iron ore operations over the economic lives of the respective mines.

Our North American Coal operation leases coal mining rights from third parties through lease agreements. The lease agreements are for varying terms and extend through the earlier of their lease termination date or until all merchantable and mineable coal has been extracted. Our interest in coal reserves and non-reserve coal was valued when acquired using a discounted cash flow method. The fair value was estimated based upon the present value of the expected future cash flows from coal operations over the life of the reserves acquired.

Refer to NOTE 4 - PROPERTY, PLANT AND EQUIPMENT for further information.

Capitalized Stripping Costs

During the development phase, stripping costs are capitalized as a part of the depreciable cost of building, developing and constructing a mine. These capitalized costs are amortized over the productive life of the mine using the units of production method. The production phase does not commence until the removal of more than a de minimis amount of saleable mineral material occurs in conjunction with the removal of overburden or waste material for purposes of obtaining access to an ore body. The stripping costs incurred in the production phase of a mine are variable production costs included in the costs of the inventory produced (extracted) during the period that the stripping costs are incurred.

Stripping costs related to expansion of a mining asset of proven and probable reserves are variable production costs that are included in the costs of the inventory produced during the period that the stripping costs are incurred.

Equity Method Investments

Investments in unconsolidated ventures that we have the ability to exercise significant influence over, but not control, are accounted for under the equity method. The following table presents the detail of our investments in unconsolidated ventures and where those investments are classified in the Statements of Consolidated Financial Position as of December 31, 2014 and December 31, 2013. Parentheses indicate a net liability.

				(In Millions)	
Investment	**Classification**	**Accounting Method**	**Ownership Interest**	**December 31, 2014**	December 31, 2013
Hibbing	*Other non-current assets* [1]	Equity Method	23%	**$ 3.1**	(3.9)
Other	*Other non-current assets*	Equity Method	Various	**3.9**	34.7
				$ 7.0	$ 30.8

[1] At December 31, 2013, the classification for Hibbing was *Other liabilities*.

During the year ended December 31, 2014, an impairment charge of $21.5 million was recorded related to joint ventures investments and is recognized in *Impairment of goodwill and other long-lived assets* in the Statements of Consolidated Operations .

Hibbing

Our share of equity income (loss) is eliminated against consolidated product inventory upon production, and against *Cost of goods sold and operating expenses* when sold. This effectively reduces our cost for our share of the mining ventures' production cost, reflecting the cost-based nature of our participation in unconsolidated ventures.

Amapá

On December 27, 2012, our Board of Directors authorized the sale of our 30 percent interest in Amapá. Per this original agreement, together with Anglo, we were to sell our respective interest in a 100 percent sale transaction to Zamin. The carrying value of our investment was in excess of the net proceeds expected from the sale, which approximated fair value, resulting in a $365.4 million impairment charge, which was recorded through *Equity loss from ventures, net of tax* in the Statements of Consolidated Operations for the year ended December 31, 2012.

On March 28, 2013, an unknown event caused the Santana port shiploader to collapse into the Amazon River, preventing further ship loading by the mine operator, Anglo. In light of the March 28, 2013 collapse of the Santana port shiploader and subsequent evaluation of the effect that this event had on the carrying value of our investment in Amapá as of June 30, 2013, we recorded an impairment charge of $67.6 million in the second quarter of 2013.

On August 28, 2013, we entered into additional agreements to sell our 30 percent interest in Amapá to Anglo for nominal cash consideration, plus the right to certain contingent deferred consideration upon the two-year anniversary of the closing. The closing was conditional on obtaining certain regulatory approvals and the additional agreement provided Anglo with an option to request that we transfer our interest in Amapá directly to Zamin. Anglo exercised this option and the transfer to Zamin was completed in the fourth quarter of 2013.

Cockatoo Island

On July 31, 2012, we entered into a definitive asset sale agreement with our joint venture partner, HWE Cockatoo Pty Ltd., to sell our beneficial interest in the mining tenements and certain infrastructure of Cockatoo Island to Pluton Resources, which was amended on August 31, 2012. On September 7, 2012, the closing date, Pluton Resources paid a nominal sum of AUD $4.00 and assumed ownership of the assets and responsibility for the environmental rehabilitation obligations and other assumed liabilities not inherently attached to the tenements acquired. The rehabilitation obligations and assumed liabilities that are inherently attached to the tenements were transferred to Pluton Resources upon registration by the Department of Mining and Petroleum denoting Pluton Resources as the tenement holder. Upon final settlement of the sale, which was completed during the second quarter of 2013, we extinguished approximately $18.6 million related to the estimated cost of the rehabilitation.

Goodwill

Goodwill represents the excess purchase price paid over the fair value of the net assets of acquired companies. We had goodwill of $2.0 million and $74.5 million recorded in the Statements of Consolidated Financial Position at December 31, 2014 and 2013, respectively. In accordance with the provisions of ASC 350, we compare the fair value of the respective reporting unit to its carrying value on an annual basis (or more frequently if necessary as discussed below) to determine if there is potential goodwill impairment. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied value of the goodwill within the reporting unit is less than the carrying value of its goodwill.

During the third quarter of 2014, a goodwill impairment charge of $73.5 million was recorded for our Asia Pacific Iron Ore reporting unit within the Asia Pacific Iron Ore operating segment. The impairment charge was a result of downward long-term pricing estimates as determined through management's long-range planning process.

After performing our annual goodwill impairment test in the fourth quarter of 2013, we determined that $80.9 million of goodwill associated with our Ferroalloys operating segment was impaired. The impairment charge was primarily a result of the decision made in the fourth quarter of 2013 to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online.

During the fourth quarter of 2012, upon performing our annual goodwill impairment test, a goodwill impairment charge of $997.3 million was recorded for our CQIM reporting unit within the Eastern Canadian Iron Ore operating segment. The impairment charge for our CQIM reporting unit was driven by the project's lower than anticipated long-term profitability coupled with delays in achieving full operational capacity and higher capital and operating costs. Additionally, the announced delay of the Phase II expansion of the Bloom Lake mine also contributed to the impairment.

Refer to NOTE 12 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES and NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information.

Other Intangible Assets and Liabilities

Other intangible assets are subject to periodic amortization on a straight-line basis over their estimated useful lives as follows:

Intangible Assets	Basis	Useful Life (years)
Permits - *Asia Pacific Iron Ore*	Units of production	Life of mine
Permits - *All Other*	Straight line	15 - 40
Utility Contracts	Straight line	5
Leases - *North American Coal*	Units of production	Life of mine
Leases - *All Other*	Straight line	4.5 - 17.5

Asset Impairment

Long-Lived Tangible and Intangible Assets

We monitor conditions that may affect the carrying value of our long-lived tangible and intangible assets when events and circumstances indicate that the carrying value of the asset groups may not be recoverable. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available ("asset group"). An impairment loss exists when projected undiscounted cash flows are less than the carrying value of the asset group. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach.

As a result of these assessments during 2014, we determined that the cash flows associated with our Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys asset groups were not sufficient to support the recoverability of the carrying value of these productive assets. Accordingly, during 2014, we recorded a long-lived tangible asset impairment charge of $8,839.0 million and an intangible asset impairment charge of $15.5 million in our Statements of Consolidated Operations . At December 31, 2013, we determined there were long-lived tangible and intangible asset impairments related to the Wabush operations within our Eastern Canadian Iron Ore operating segment that resulted in impairment charges of $145.1 million and $9.5 million, respectively. At December 31, 2012, we determined there was a long-lived asset impairment related to the Wabush mine's pelletizing operations that resulted in an impairment charge of $49.9 million.

Refer to NOTE 4 - PROPERTY, PLANT AND EQUIPMENT , NOTE 12 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES and NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information.

Fair Value Measurements

Valuation Hierarchy

ASC 820 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 assumptions 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. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Cash Equivalents

Where quoted prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. Cash equivalents classified in Level 1 at December 31, 2014 and 2013 include money market funds. Valuation of these instruments is determined using a market approach and is based upon unadjusted quoted prices for identical assets in active markets.

Marketable Securities

Where quoted prices are available in an active market, marketable securities are classified within Level 1 of the valuation hierarchy. Marketable securities classified in Level 1 at December 31, 2014 and 2013 include available-for-sale securities. The valuation of these instruments is determined using a market approach and is based upon unadjusted quoted prices for identical assets in active markets.

Derivative Financial Instruments

Derivative financial instruments valued using financial models that use as their basis readily observable market parameters are classified within Level 2 of the valuation hierarchy. Such derivative financial instruments include substantially all of our foreign currency exchange contracts and derivative financial instruments that are valued based upon published pricing settlements realized by other companies in the industry. Derivative financial instruments that are valued based upon models with significant unobservable market parameters and are normally traded less actively, are classified within Level 3 of the valuation hierarchy.

Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS and NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

Pensions and Other Postretirement Benefits

We offer defined benefit pension plans, defined contribution pension plans and other postretirement benefit plans, primarily consisting of retiree healthcare benefits, to most employees in North America as part of a total compensation and benefits program. We do not have employee pension or post-retirement benefit obligations at our Asia Pacific Iron Ore operations or our Bloom Lake mine operations within our Eastern Canadian Iron Ore segment.

We recognize the funded or unfunded status of our postretirement benefit obligations on our December 31, 2014 and 2013 Statements of Consolidated Financial Position based on the difference between the market value of plan assets and the actuarial present value of our retirement obligations on that date, on a plan-by-plan basis. If the plan assets exceed the retirement obligations, the amount of the surplus is recorded as an asset; if the retirement obligations exceed the plan assets, the amount of the underfunded obligations are recorded as a liability. Year-end balance sheet adjustments to postretirement assets and obligations are recorded as *Accumulated other comprehensive loss*.

The actuarial estimates of the PBO and APBO retirement obligations incorporate various assumptions including the discount rates, the rates of increases in compensation, healthcare cost trend rates, mortality, retirement timing and employee turnover. For the U.S. and Canadian plans, the discount rate is determined based on the prevailing year-end rates for high-grade corporate bonds with a duration matching the expected cash flow timing of the benefit payments from the various plans. The remaining assumptions are based on our estimates of future events by incorporating historical trends and future expectations. The amount of net periodic cost that is recorded in the Statements of Consolidated Operations consists of several components including service cost, interest cost, expected return on plan assets, and amortization of previously unrecognized amounts. Service cost represents the value of the benefits earned in the current year by the participants. Interest cost represents the cost associated with the passage of time. Certain items, such as plan amendments, gains and/or losses resulting from differences between actual and assumed results for demographic and economic factors affecting the obligations and assets of the plans, and changes in other assumptions are subject to deferred recognition for income and expense purposes. The expected return on plan assets is determined utilizing the weighted average of expected returns for plan asset investments in various asset categories based on historical performance, adjusted for current trends. See NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

Asset Retirement Obligations

Asset retirement obligations are recognized when incurred and recorded as liabilities at fair value. The fair value of the liability is determined as the discounted value of the expected future cash flow. The asset retirement obligation is accreted over time through periodic charges to earnings. In addition, the asset retirement cost is capitalized as part of the asset's carrying value and amortized over the life of the related asset. Reclamation costs are adjusted periodically to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation costs. We review, on an annual basis, unless otherwise deemed necessary, the asset retirement obligation at each mine site in accordance with the provisions of ASC 410. We perform an in-depth evaluation of the liability every three years in addition to routine annual assessments.

Future remediation costs for inactive mines are accrued based on management's best estimate at the end of each period of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised. See NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS for further information.

Environmental Remediation Costs

We have a formal policy for environmental protection and restoration. Our mining and exploration activities are subject to various laws and regulations governing protection of the environment. We conduct our operations to protect the public health and environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities, including obligations for known environmental remediation exposures at active and closed mining operations and other sites, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost only can be estimated as a range of possible amounts with no point in the range being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements reasonably can be estimated. It is possible that additional environmental obligations could be incurred, the extent of which cannot be assessed. Potential insurance recoveries have not been reflected in the determination of the liabilities. See NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS for further information.

Revenue Recognition

U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore

We sell our products pursuant to comprehensive supply agreements negotiated and executed with our customers. Revenue is recognized from a sale when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product is delivered in accordance with F.O.B. terms, title and risk of loss have transferred to the customer in accordance with the specified provisions of each supply agreement and collection of the sales price reasonably is assured. Our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore supply agreements provide that title and risk of loss transfer to the customer either upon loading of the vessel, shipment or, as is the case with some of our U.S. Iron Ore supply agreements, when payment is received. Under certain term supply agreements, we ship the product to ports on the lower Great Lakes or to the customers' facilities prior to the transfer of title. Our rationale for shipping iron ore products to certain customers and retaining title until payment is received for these products is to minimize credit risk exposure.

Iron ore sales are recorded at a sales price specified in the relevant supply agreements resulting in revenue and a receivable at the time of sale. Upon revenue recognition for provisionally priced sales, a freestanding derivative is created for the difference between the sales price used and expected future settlement price. The derivative, which does not qualify for hedge accounting, is adjusted to fair value through *Product revenues* as a revenue adjustment each reporting period based upon current market data and forward-looking estimates determined by management until the final sales price is determined. The principal risks associated with recognition of sales on a provisional basis include iron ore price fluctuations between the date initially recorded and the date of final settlement. For revenue recognition, we estimate the future settlement rate; however, if significant changes in iron ore prices occur between the provisional pricing date and the final settlement date, we might be required to either return a portion of the sales proceeds received or bill for the additional sales proceeds due based on the provisional sales price. Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

In addition, certain supply agreements with one customer include provisions for supplemental revenue or refunds based on the customer's annual steel pricing for the year the product is consumed in the customer's blast furnaces. We account for this provision as a derivative instrument at the time of sale and record this provision at fair value until the year the product is consumed and the amounts are settled as an adjustment to revenue. Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Revenue from product sales also includes reimbursement for freight charges paid on behalf of customers and freight costs to move product from the Upper Great Lakes to ports in Québec to use for exports and from the port of Esperance to ports in China, which are included in *Freight and venture partners' cost reimbursements* separate from *Product revenues*. Revenue is recognized for the expected reimbursement of services when the services are performed.

North American Coal

We sell our products pursuant to supply agreements negotiated and executed with our customers. Revenue is recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product is delivered in accordance with F.O.B. terms, title and risk of loss have transferred to the customer in accordance with the specified provisions of each supply agreement and collection of the sales price reasonably is assured. Delivery on our coal sales is determined to be complete for revenue recognition purposes when title and risk of loss has passed to the customer in accordance with stated contractual terms and there are no other future obligations related to the shipment. For domestic shipments, title and risk of loss generally passes as the coal is loaded into transport carriers for delivery to the customer. For international shipments, title generally passes at the time coal is loaded onto the shipping vessel. Revenue from product sales in 2014, 2013 and 2012 included reimbursement for freight charges paid to move coal from the mine to port locations of $115.0 million, $85.8 million and $101.0 million, respectively, and is recorded in *Freight and venture partners' cost reimbursements* on the Statements of Consolidated Operations.

Deferred Revenue

The terms of one of our U.S. Iron Ore pellet supply agreements required supplemental payments to be paid by the customer during the period 2009 through 2012, with the option to defer a portion of the 2009 monthly amount in exchange for interest payments until the deferred amount was repaid in 2013. Installment amounts received under this arrangement in excess of sales are classified as deferred revenue in the Statements of Consolidated Financial Position upon receipt of payment. Revenue is recognized over the life of the supply agreement, which extends until 2022, in equal annual installments. As of December 31, 2014 and 2013, installment amounts received in excess of sales totaled $102.8 million and $115.6 million, respectively. As of December 31, 2014, deferred revenue of $12.8 million was recorded in *Other current liabilities* and $90.0 million was recorded as long term in *Other liabilities* in the Statements of Consolidated Financial Position. As of December 31, 2013, deferred revenue of $12.8 million was recorded in *Other current liabilities* and $102.8 million was recorded as long term in *Other liabilities* in the Statements of Consolidated Financial Position.

In 2014 and 2013, due to the payment terms and the timing of cash receipts near year-end, cash receipts exceeded shipments. The shipments were completed early in the subsequent years. We considered whether revenue should be recognized on these sales under the “bill and hold” guidance provided by the SEC Staff; however, based upon the assessment performed, revenue recognition on these transactions totaling $29.3 million and $13.5 million, respectively, was deferred on the December 31, 2014 and December 31, 2013 Statements of Consolidated Financial Position.

Cost of Goods Sold

U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore

Cost of goods sold and operating expenses represents all direct and indirect costs and expenses applicable to the sales and revenues of our mining operations. Operating expenses primarily represent the portion of the Tilden mining venture costs for which we do not own; that is, the costs attributable to the share of the mine’s production owned by the other joint venture partner in the Tilden mine. The mining venture functions as a captive cost company; it supplies product only to its owners effectively for the cost of production. Accordingly, the noncontrolling interests’ revenue amounts are stated at cost of production and are offset by an equal amount included in *Cost of goods sold and operating expenses* resulting in no sales margin reflected for the noncontrolling partner participant. As we are responsible for product fulfillment, we act as a principal in the transaction and, accordingly, record revenue under these arrangements on a gross basis.

The following table is a summary of reimbursements in our U.S. Iron Ore operations for the years ended December 31, 2014, 2013 and 2012:

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
Reimbursements for:			
Freight	**$ 163.0**	$ 177.3	$ 142.0
Venture partners’ cost	**108.0**	82.2	108.8
Total reimbursements	**$ 271.0**	$ 259.5	$ 250.8

In 2014, we began selling a portion of its Asia Pacific Iron Ore product on a CFR basis. As a result, $6.9 million of freight was included in *Cost of goods sold and operating expenses*. There was no freight for the year ended December 31, 2013.

Where we have joint ownership of a mine, our contracts entitle us to receive royalties and/or management fees, which we earn as the pellets are produced.

North American Coal

Cost of goods sold and operating expenses represent all direct and indirect costs and expenses applicable to the sales and revenues of our mining operations.

Repairs and Maintenance

Repairs, maintenance and replacement of components are expensed as incurred. The cost of major equipment overhauls is capitalized and depreciated over the estimated useful life, which is the period until the next scheduled overhaul, generally five years. All other planned and unplanned repairs and maintenance costs are expensed when incurred.

Share-Based Compensation

The fair value of each performance share grant is estimated on the date of grant using a Monte Carlo simulation to forecast relative TSR performance. Consistent with the guidelines of ASC 718, a correlation matrix of historic and projected stock prices was developed for both the Company and its predetermined peer group of mining and metals companies. The fair value assumes that performance goals will be achieved.

The expected term of the grant represents the time from the grant date to the end of the service period for each of the three plan-year agreements. We estimated the volatility of our common shares and that of the peer group of mining and metals companies using daily price intervals for all companies. The risk-free interest rate is the rate at the grant date on zero-coupon government bonds, with a term commensurate with the remaining life of the performance plans.

The fair value of stock options is estimated on the date of grant using a Black-Scholes model using the grant date price of our common shares and option exercise price, and assumptions regarding the option’s expected term, the volatility of our common shares, the risk-free interest rate, and the dividend yield over the option’s expected term.

Refer to NOTE 8 - STOCK COMPENSATION PLANS for additional information.

Income Taxes

Income taxes are based on income for financial reporting purposes, calculated using tax rates by jurisdiction, and reflect a current tax liability or asset for the estimated taxes payable or recoverable on the current year tax return and expected annual changes in deferred taxes. Any interest or penalties on income tax are recognized as a component of income tax expense.

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial results of operations.

Accounting for uncertainty in income taxes recognized in the financial statements requires that a tax benefit from an uncertain tax position be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on technical merits.

See NOTE 9 - INCOME TAXES for further information.

Discontinued Operations

On July 10, 2012, we entered into a definitive share and asset sale agreement to sell our 45 percent economic interest in the Sonoma joint venture coal mine located in Queensland, Australia. Upon completion of the transaction on November 12, 2012, we collected approximately AUD $141.0 million in net cash proceeds. The assets sold included our interests in the Sonoma mine along with our ownership of the affiliated washplant. The Sonoma operations previously were included in *Other* within our reportable segments.

In April 2014, the FASB issued ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which changes the criteria for reporting discontinued operations and requires additional disclosures about discontinued operations. The standard requires that an entity report as a discontinued operation only a disposal that represents a strategic shift in operations that has a major effect on its operations and financial results. ASU 2014-08 is effective prospectively for new disposals that occur within annual periods beginning on or after December 15, 2014. Early adoption is permitted and we adopted ASU 2014-08 during the three months ended December 31, 2014. Both Wabush and CLCC did not qualify as discontinued operations as determined under the new guidance. Neither the closure of Wabush nor the sale of the CLCC assets was considered a strategic shift in operations that had a major effect on our operations. Refer to NOTE 14 - DISCONTINUED OPERATIONS for further discussion of our adoption of ASU 2014-08.

Foreign Currency

Our financial statements are prepared with the U.S. dollar as the reporting currency. The functional currency of the Company's Australian subsidiaries is the Australian Dollar. The functional currency of all other international subsidiaries is the U.S. dollar. The financial statements of international subsidiaries are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for each period for revenues, expenses, gains and losses. Where the local currency is the functional currency, translation adjustments are recorded as *Accumulated other comprehensive loss*. Where the U.S. dollar is the functional currency, translation adjustments are recorded in the Statements of Consolidated Operations. Income taxes generally are not provided for foreign currency translation adjustments.

Earnings Per Share

We present both basic and diluted earnings per share amounts. Basic earnings per share amounts are calculated by dividing *Net Income (Loss) Attributable to Cliffs Shareholders* less any paid or declared but unpaid dividends on our depositary shares by the weighted average number of common shares outstanding during the period presented. Diluted earnings per share amounts are calculated by dividing *Net Income (Loss) Attributable to Cliffs Shareholders* by the weighted average number of common shares, common share equivalents under stock plans using the treasury stock method and the number of common shares that would be issued under an assumed conversion of our outstanding depositary shares, each representing a 1/40th interest in a share of our Series A Mandatory Convertible Preferred Stock, Class A, under the if-converted method. Our outstanding depositary shares are convertible into common shares based on the volume weighted average of closing prices of our common shares over the 20 consecutive trading day period ending on the third day immediately preceding the end of the reporting period. Common share equivalents are excluded from EPS computations in the periods in which they have an anti-dilutive effect. See NOTE 19 - EARNINGS PER SHARE for further information.

Recent Accounting Pronouncements

Issued and Not Effective

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern* . ASU 2014-15 will explicitly require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosure in certain circumstances. ASU 2014-15 is intended to define management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term "substantial doubt" and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management’s plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for all entities in the first annual period ending after December 15, 2016 and for annual periods and interim periods thereafter. Earlier adoption is permitted. We are currently evaluating the impact the adoption of the guidance will have on the Statements of Consolidated Financial Position, Statements of Consolidated Operations or Statements of Consolidated Cash Flows.

In June 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers.* The new revenue guidance broadly replaces the revenue guidance provided throughout the Codification. The core principle of the revenue guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new revenue guidance also requires the capitalization of certain contract acquisition costs. Reporting entities must provide new disclosures providing qualitative and quantitative information on the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. New disclosures also include qualitative and quantitative information on significant judgments, changes in judgments, and contract acquisition assets. The update is effective for annual periods and interim periods within those annual periods beginning after December 15, 2016 and may be adopted either retrospectively or retrospectively with the cumulative effect. Earlier adoption is not permitted. We are still evaluating the impact of the updated guidance on the Statements of Consolidated Financial Position, Statements of Consolidated Operations or Statements of Consolidated Cash Flows.

NOTE 2 - SEGMENT REPORTING

Our Company’s operations are organized and managed according to product category and geographic location: U.S. Iron Ore, Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore. The U.S. Iron Ore segment is comprised of our interests in five U.S. mines that provide iron ore to the integrated steel industry. The Asia Pacific Iron Ore segment is located in Western Australia and provides iron ore to the seaborne market for Asian steel producers. The North American Coal segment as of December 31, 2014 is comprised of our two low-volatile metallurgical coal operations that provide metallurgical coal primarily to the integrated steel industry. Effective December 31, 2014, we sold our CLCC assets, which consisted of two high-volatile metallurgical coal mines and one thermal coal mine. As such, the results below include the CLCC results through the day of the sale completion. The Eastern Canadian Iron Ore segment is comprised of two Eastern Canadian mines that primarily provided iron ore to the seaborne market for Asian steel producers. Refer to NOTE 21 - SUBSEQUENT EVENTS for further discussion of our Bloom Lake mine, which is in the Eastern Canadian Iron Ore segment. There were no intersegment revenues in 2014 or 2012. Inter-segment revenues for 2013 were eliminated in consolidation.

We have historically evaluated segment performance based on sales margin, defined as revenues less cost of goods sold, and operating expenses identifiable to each segment. Additionally, beginning in the third quarter of 2014, concurrent with the change in control on July 29, 2014, management began to evaluate segment performance based on EBITDA, defined as *Net Income (Loss)* before interest, income taxes, depreciation, depletion and amortization, and Adjusted EBITDA, defined as EBITDA excluding certain items such as impairment charges, impacts of permanently idled, closed or sold facilities, foreign currency remeasurement, severance and other costs associated with the acceleration of vesting and payout of outstanding equity grants due to the majority change in our Board of Directors, litigation judgments and intersegment corporate allocations of SG&A costs. Management uses and believes that investors benefit from referring to these measures in evaluating operating and financial results, as well as in planning, forecasting and analyzing future periods as these financial measures approximate the cash flows associated with the operational earnings.

The following tables present a summary of our reportable segments for the years ended December 31, 2014, 2013 and 2012, including a reconciliation of segment sales margin to *Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures* and a reconciliation of *Net Income (Loss)* to EBITDA and Adjusted EBITDA:

	(In Millions)					
	2014		2013		2012	
Revenues from product sales and services:						
U.S. Iron Ore	**$ 2,506.5**	**54%**	$ 2,667.9	47%	$ 2,723.3	46%
Asia Pacific Iron Ore	**866.7**	**19%**	1,224.3	22%	1,259.3	22%
North American Coal	**687.1**	**15%**	821.9	14%	881.1	15%
Eastern Canadian Iron Ore	**563.4**	**12%**	978.7	17%	1,008.9	17%
Other (including inter-segment revenue eliminations)	**—**	**—%**	(1.4)	—%	0.1	—%
Total revenues from product sales and services	**$ 4,623.7**	**100%**	$ 5,691.4	100%	$ 5,872.7	100%
Sales margin:						
U.S. Iron Ore	**$ 710.4**		$ 901.9		$ 976.2	
Asia Pacific Iron Ore	**121.7**		367.1		311.0	
North American Coal	**(135.8)**		(14.5)		(1.8)	
Eastern Canadian Iron Ore	**(244.9)**		(103.3)		(121.4)	
Other (including inter-segment sales margin eliminations)	**—**		(1.9)		8.1	
Sales margin	**451.4**		1,149.3		1,172.1	
Other operating income (expense)	**(9,896.7)**		(478.3)		(1,480.9)	
Other income (expense)	**(158.4)**		(181.7)		(193.0)	
Income (loss) from continuing operations before income taxes and equity income (loss) from ventures	**$(9,603.7)**		$ 489.3		$ (501.8)	

	(In Millions)		
	2014	2013	2012
Net Income (Loss)	**$ (8,311.6)**	$ 361.8	$ (1,126.6)
Less:			
Interest expense, net	**(185.2)**	(179.1)	(195.6)
Income tax benefit (expense)	**1,302.0**	(55.1)	(255.9)
Depreciation, depletion and amortization	**(504.0)**	(593.3)	(525.8)
EBITDA	**$ (8,924.4)**	$ 1,189.3	$ (149.3)
Less:			
Impairment of goodwill and other long-lived assets	**$ (9,029.9)**	$ (250.8)	$ (1,049.9)
Impairment of equity method investment	**—**	—	(365.4)
Loss on sale of Cliffs Logan County Coal	**(419.6)**	—	—
Wabush mine impact	**(158.7)**	(72.7)	(30.1)
Bloom Lake mine impact	**(137.9)**	46.5	6.4
Foreign exchange remeasurement	**30.7**	64.0	(3.2)
Proxy contest and change in control costs in SG&A	**(26.6)**	—	—
Litigation judgment	**(96.3)**	(9.6)	—
Severance in SG&A	**(15.8)**	(16.4)	—
Total Adjusted EBITDA	**$ 929.7**	$ 1,428.3	$ 1,292.9
EBITDA:			
U.S. Iron Ore	**$ 805.6**	$ 1,000.1	$ 1,045.3
Asia Pacific Iron Ore	**(369.8)**	500.4	387.3
North American Coal	**(1,326.8)**	129.5	74.0
Eastern Canadian Iron Ore	**(7,673.9)**	(192.8)	(1,103.3)
Other	**(359.5)**	(247.9)	(552.6)
Total EBITDA	**$ (8,924.4)**	$ 1,189.3	$ (149.3)
Adjusted EBITDA:			
U.S. Iron Ore	**$ 831.2**	$ 1,030.8	$ 1,085.6
Asia Pacific Iron Ore	**264.6**	525.7	402.1
North American Coal	**(28.5)**	154.0	106.7
Eastern Canadian Iron Ore	**—**	—	—
Other	**(137.6)**	(282.2)	(301.5)
Total Adjusted EBITDA	**$ 929.7**	$ 1,428.3	$ 1,292.9

	(In Millions)		
	2014	2013	2012
Depreciation, depletion and amortization:			
U.S. Iron Ore	**$ 107.4**	$ 120.3	$ 100.9
Asia Pacific Iron Ore	**145.9**	153.7	151.9
North American Coal	**106.9**	128.9	98.2
Eastern Canadian Iron Ore	**135.6**	178.5	160.2
Other	**8.2**	11.9	14.6
Total depreciation, depletion and amortization	**$ 504.0**	$ 593.3	$ 525.8
Capital additions[1]:			
U.S. Iron Ore	**$ 48.4**	$ 53.3	$ 168.8
Asia Pacific Iron Ore	**10.8**	13.0	87.7
North American Coal	**28.8**	55.0	144.1
Eastern Canadian Iron Ore	**141.2**	625.5	865.2
Other	**6.3**	5.5	69.5
Total capital additions	**$ 235.5**	$ 752.3	$ 1,335.3

[1] Includes capital lease additions and non-cash accruals. Refer to NOTE 17 - CASH FLOW INFORMATION.

A summary of assets by segment is as follows:

	(In Millions)		
	December 31, 2014	December 31, 2013	December 31, 2012
Assets:			
U.S. Iron Ore	**$ 1,598.3**	$ 1,671.6	$ 1,735.1
Asia Pacific Iron Ore	**274.6**	1,078.4	1,506.3
North American Coal	**274.2**	1,841.8	1,877.8
Eastern Canadian Iron Ore	**305.8**	7,915.5	7,605.1
Other	**164.3**	455.6	570.9
Total segment assets	**2,617.2**	12,962.9	13,295.2
Corporate	**546.8**	159.0	279.7
Total assets	**$ 3,164.0**	$ 13,121.9	$ 13,574.9

Included in the consolidated financial statements are the following amounts relating to geographic location:

	(In Millions)		
	2014	2013	2012
Revenue			
United States	**$ 2,139.4**	$ 1,857.6	$ 2,108.5
China	**1,049.0**	1,909.4	2,008.2
Canada	**439.1**	871.2	728.1
Other countries	**996.2**	1,053.2	1,027.9
Total revenue	**$ 4,623.7**	$ 5,691.4	$ 5,872.7
Property, Plant and Equipment, Net			
United States	**$ 1,093.7**	$ 2,721.6	$ 2,795.3
Australia	**72.4**	751.0	1,042.4
Canada	**248.8**	7,680.8	7,369.6
Total Property, Plant and Equipment, Net	**$ 1,414.9**	$ 11,153.4	$ 11,207.3

Concentrations in Revenue

In 2014, two customers accounted for more than 10 percent of our consolidated product revenue. In 2013 and 2012, one customer in each year individually accounted for more than 10 percent of our consolidated product revenue. Total revenue from these customers accounted for more than 10 percent of our consolidated product revenues and represents approximately $1.6 billion, $1.0 billion and $0.9 billion of our total consolidated product revenue in 2014, 2013 and 2012, respectively, and is attributable to our U.S. Iron Ore, North American Coal and Eastern Canadian Iron Ore business segments.

The following table represents the percentage of our total revenue contributed by each category of products and services in 2014, 2013, and 2012:

	2014	2013	2012
Revenue Category			
Iron ore	**78%**	80%	81%
Coal	**12%**	13%	13%
Freight and venture partners’ cost reimbursements	**10%**	7%	6%
Total revenue	**100%**	100%	100%

NOTE 3 - INVENTORIES

The following table presents the detail of our *Inventories* in the Statements of Consolidated Financial Position as of December 31, 2014 and 2013:

	(In Millions)					
	December 31, 2014			December 31, 2013		
Segment	**Finished Goods**	**Work-in Process**	**Total Inventory**	Finished Goods	Work-in Process	Total Inventory
U.S. Iron Ore	**$ 132.1**	**$ 13.5**	**$ 145.6**	$ 92.1	$ 13.0	$ 105.1
Asia Pacific Iron Ore	**26.4**	**88.1**	**114.5**	39.7	50.6	90.3
North American Coal	**33.1**	**17.2**	**50.3**	59.4	23.2	82.6
Eastern Canadian Iron Ore	**16.3**	**—**	**16.3**	65.3	48.1	113.4
Total	**$ 207.9**	**$ 118.8**	**$ 326.7**	$ 256.5	$ 134.9	$ 391.4

U.S. Iron Ore

The excess of current cost over LIFO cost of iron ore inventories was $119.0 million and $115.3 million at December 31, 2014 and 2013, respectively. As of December 31, 2014, the product inventory balance for U.S. Iron Ore increased, resulting in a LIFO increment in 2014. The effect of the inventory build was an increase in *Inventories* of $44.8 million in the Statements of Consolidated Financial Position for the year ended December 31, 2014. As of December 31, 2013, the product inventory balance for U.S. Iron Ore declined, resulting in liquidation of a LIFO layer in 2013. The effect of the inventory reduction was a decrease in *Cost of goods sold and operating expenses* of $7.4 million in the Statements of Consolidated Operations for the year ended December 31, 2013.

North American Coal

We recorded LCM inventory charges of $44.5 million, $11.1 million and $24.4 million in *Cost of goods sold and operating expenses* in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012, respectively, for our North American Coal operations. The charges in 2014 were a result of market pricing declines. The charges in 2013 and 2012 were a result of market pricing declines and costs associated with operational and geological issues.

Eastern Canadian Iron Ore

We recorded LCM inventory charges of $38.9 million in *Cost of goods sold and operating expenses* in the Statements of Consolidated Operations for the year ended December 31, 2014, for our Eastern Canadian Iron Ore operations. During 2014, we recorded $10.4 million and $17.5 million of LCM inventory charges related to work-in process inventory and finished goods inventory, respectively, for Bloom Lake. Additionally, we recorded $4.9 million and $6.1 million of LCM inventory charges related to work-in process inventory and finished goods inventory, respectively, for Wabush. The charges at Eastern Canadian Iron Ore were primarily a result of declines in Platts 62 percent Fe fines spot pricing and the increased cost of production. At the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and began to implement the permanent closure plan for the mine. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

For the year ended December 31, 2013, the LCM concentrate and pellet inventory charges recorded were $13.2 million and $11.1 million, respectively, which were recorded in *Cost of goods sold and operating expenses* in the Statements of Consolidated Operations for our Eastern Canadian Iron Ore operations. Additionally, we recorded unsaleable inventory impairment charges of $10.6 million and $7.9 million, respectively, relating to Wabush pellets and concentrate inventory. Both of these charges were recorded in *Cost of goods sold and operating expenses* during 2013 and included in the Statements of Consolidated Operations for the year ended December 31, 2013 for our Eastern Canadian Iron Ore operations.

No LCM inventory adjustments were recorded for the year ended December 31, 2012 within the Eastern Canadian Iron Ore operating segment results.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

The following table indicates the value of each of the major classes of our consolidated depreciable assets as of December 31, 2014 and 2013:

	(In Millions)	
	December 31,	
	2014	2013
Land rights and mineral rights	**$ 590.2**	$ 7,819.6
Office and information technology	**75.5**	125.7
Buildings	**65.6**	255.2
Mining equipment	**732.6**	1,819.3
Processing equipment	**567.4**	2,148.6
Electric power facilities	**48.8**	114.3
Land improvements	**25.5**	69.3
Other	**60.8**	227.6
Construction in-progress	**51.3**	991.3
	2,217.7	13,570.9
Allowance for depreciation and depletion	**(802.8)**	(2,417.5)
	$ 1,414.9	$ 11,153.4

We recorded depreciation expense of $320.6 million, $366.9 million and $293.5 million in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012, respectively.

At December 31, 2014, there was no accumulated amount of capitalized interest included within construction-in-progress. At December 31, 2013, $31.4 million of capitalized interest was included within construction in-progress, of which $17.4 million was capitalized during 2013.

During the second half of 2014, due to lower than previously expected profits as a result of decreased iron ore pricing expectations and increased costs, we determined that indicators of impairment with respect to certain of our long-lived assets or asset groups existed. Our asset groups generally consist of the assets and liabilities of one or more mines, preparation plants and associated reserves for which the lowest level of identifiable cash flows largely are independent of cash flows of other mines, preparation plants and associated reserves.

As a result of these assessments during 2014, we determined that the future cash flows associated with our Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys asset groups were not sufficient to support the recoverability of the carrying value of these productive assets. Accordingly, during 2014, an other long-lived asset impairment charge of $8,839.0 million was recorded as *Impairment of goodwill and other long-lived assets* in the Statements of Consolidated Operations related to property, plant and equipment. The fair value estimates were calculated using income and market approaches. Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further discussion of these impairments and related fair value estimates.

During the fourth quarter of 2013, we experienced higher than expected production costs and operational inefficiencies at our Wabush operations within our Eastern Canadian Iron Ore operating segment that resulted in continued declines in our profitability of that business, which represented an asset group for purposes of testing our long-lived assets for recoverability. Upon completion of an impairment analysis, it was determined the fair value was less than the carrying value of the asset group, which resulted in an other long-lived asset impairment charge of tangible property, plant and equipment of $140.1 million as *Impairment of goodwill and other long-lived assets* in the Statements of Consolidated Operations for the year ended December 31, 2013. The fair value estimate was calculated using a market approach.

The net book value of the land rights and mineral rights as of December 31, 2014 and 2013 is as follows:

	(In Millions)	
	December 31,	
	2014	2013
Land rights	**$ 31.9**	$ 46.3
Mineral rights:		
Cost	**$ 558.3**	$ 7,773.3
Depletion	**(101.3)**	(942.6)
Net mineral rights	**$ 457.0**	$ 6,830.7

Accumulated depletion relating to mineral rights, which was recorded using the unit-of-production method, is included in *Cost of goods sold and operating expenses*. We recorded depletion expense of $173.0 million, $206.5 million and $209.8 million in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012, respectively. As discussed above, during 2014 we performed impairment assessments with respect to certain of our long-lived assets or asset groups. As a result of these assessments, we recorded an other long-lived asset impairment charge related to mineral rights of $5,772.7 million associated with our Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys asset groups.

NOTE 5 - DEBT AND CREDIT FACILITIES

The following represents a summary of our long-term debt as of December 31, 2014 and 2013:

	($ in Millions)					
	December 31, 2014					
Debt Instrument	**Type**	**Annual Effective Interest Rate**	**Final Maturity**	**Total Principal Amount**	**Total Debt**	
$700 Million 4.875% 2021 Senior Notes	**Fixed**	**4.88%**	**2021**	**$ 690.0**	**$ 689.5**	**(1)**
$1.3 Billion Senior Notes:						
$500 Million 4.80% 2020 Senior Notes	**Fixed**	**4.83%**	**2020**	**490.0**	**489.4**	**(2)**
$800 Million 6.25% 2040 Senior Notes	**Fixed**	**6.34%**	**2040**	**800.0**	**790.5**	**(3)**
$400 Million 5.90% 2020 Senior Notes	**Fixed**	**5.98%**	**2020**	**395.0**	**393.7**	**(4)**
$500 Million 3.95% 2018 Senior Notes	**Fixed**	**5.17%**	**2018**	**480.0**	**477.4**	**(5)**
$1.125 Billion Credit Facility:						
Revolving Credit Agreement	**Variable**	**2.94%**	**2017**	**1,125.0**	**—**	**(6)**
Equipment Loans	**Fixed**	**Various**	**2020**	**164.8**	**140.8**	
Fair Value Adjustment to Interest Rate Hedge					**2.8**	
Total debt				**$ 4,144.8**	**$ 2,984.1**	
Less current portion					**21.8**	
Long-term debt					**$ 2,962.3**	

($ in Millions)						
December 31, 2013						
Debt Instrument	Type	Annual Effective Interest Rate	Final Maturity	Total Face Amount	Total Debt	
$700 Million 4.875% 2021 Senior Notes	Fixed	4.88%	2021	$ 700.0	$ 699.4	(1)
$1.3 Billion Senior Notes:						
$500 Million 4.80% 2020 Senior Notes	Fixed	4.83%	2020	500.0	499.2	(2)
$800 Million 6.25% 2040 Senior Notes	Fixed	6.34%	2040	800.0	790.4	(3)
$400 Million 5.90% 2020 Senior Notes	Fixed	5.98%	2020	400.0	398.4	(4)
$500 Million 3.95% 2018 Senior Notes	Fixed	4.14%	2018	500.0	496.5	(5)
$1.75 Billion Credit Facility:						
Revolving Loan	Variable	1.64%	2017	1,750.0	—	(6)
Equipment Loans	Fixed	Various	2020	164.8	161.7	
Fair Value Adjustment to Interest Rate Hedge					(2.1)	
Total debt				$ 4,814.8	$ 3,043.5	
Less current portion					20.9	
Long-term debt					$ 3,022.6	

(1) During the fourth quarter of 2014, we purchased $ 10.0 million of outstanding 4.875 percent senior notes that were trading at a discount of 40.5 percent which resulted in a gain on the extinguishment of debt of $4.1 million. As of December 31, 2014, the $700.0 million 4.875 percent senior notes were recorded at a par value of $690.0 million less unamortized discounts of $0.5 million, based on an imputed interest rate of 4.88 percent. As of December 31, 2013, the $700.0 million 4.875 percent senior notes were recorded at a par value of $700.0 million less unamortized discounts of $0.6 million, based on an imputed interest rate of 4.88 percent.

(2) During the fourth quarter of 2014, we purchased $ 10.0 million of outstanding 4.80 percent senior notes that were trading at a discount of 40.25 percent which resulted in a gain on the extinguishment of debt of $4.0 million. As of December 31, 2014, the $500.0 million 4.80 percent senior notes were recorded at a par value of $490.0 million less unamortized discounts of $0.6 million, based on an imputed interest rate of 4.83 percent. As of December 31, 2013, the $500.0 million 4.80 percent senior notes were recorded at a par value of $500.0 million less unamortized discounts of $0.8 million, based on an imputed interest rate of 4.83 percent.

(3) As of December 31, 2014 and December 31, 2013, the $800.0 million 6.25 percent senior notes were recorded at par value of $800.0 million less unamortized discounts of $9.5 million and $9.6 million, respectively, based on an imputed interest rate of 6.34 percent.

(4) During the fourth quarter of 2014, we purchased $ 5.0 million of outstanding 5.90 percent senior notes that were trading at a discount of 38.125 percent which resulted in a gain on the extinguishment of debt of $1.9 million. As of December 31, 2014, the $400.0 million 5.90 percent senior notes were recorded at a par value of $395.0 million less unamortized discounts of $1.3 million, based on an imputed interest rate of 5.98 percent. As of December 31, 2013, the $400.0 million 5.90 percent senior notes were recorded at a par value of $400.0 million less unamortized discounts of $1.6 million, based on an imputed interest rate of 5.98 percent.

(5) During the fourth quarter of 2014, we purchased $ 20.0 million of outstanding 3.95 percent senior notes that were trading at a discount of 30.875 percent which resulted in a gain on the extinguishment of debt of $6.2 million. As of December 31, 2014, the $500.0 million 3.95 percent senior notes were recorded at a par value of $480.0 million less unamortized discounts of $2.6 million, based on an imputed interest rate of 5.17 percent. As of December 31, 2013, the $500.0 million 3.95 percent senior notes were recorded at a par value of $500.0 million less unamortized discounts of $3.5 million, based on an imputed interest rate of 4.14 percent.

(6) As of December 31, 2014 and 2013, no revolving loans were drawn under the credit facility. We had total availability of $1.125 billion and $1.75 billion on our credit facility as of December 31, 2014 and 2013, respectively. Additionally, as of December 31, 2014 and December 31, 2013, the principal amount of letter of credit obligations totaled $149.5 million and $8.4 million, respectively, thereby reducing available borrowing capacity to $1.0 billion and $1.7 billion for each period, respectively.

Credit Facility

On October 24, 2014, we amended the revolving credit agreement (Amendment No 5.) to effect the following:

- Reduces the size of the existing facility from $1.25 billion to $1.125 billion.
- Grants a valid and perfected first-priority (subject to certain permitted liens) security interest in certain property and assets of the Company and certain of its subsidiaries, subject to customary exclusions all specified in a security agreement.
- With effect as of September 30, 2014, removes the maximum balance sheet leverage ratio of debt to capitalization of less than 45 percent, which was a covenant introduced in June 2014, and replaces that covenant with a maximum leverage ratio covenant of secured debt to EBITDA that is not to exceed 3.5 times.
- Retains the minimum interest coverage ratio requirement of 3.5 times, and was subsequently reduced to 2.0 times upon completion of certain collateral actions within 60 days of the execution of the amendment. The collateral requirements were satisfied as of December 23, 2014.
- Subjects restricted payments (including the $200 million share repurchase, which was approved in September 2014) and current dividend structure to a $400 million liquidity test.
- Adds limitations regarding acquisitions, investments (including investments in non-wholly owned subsidiaries and joint ventures) and subsidiary debt.
- Eliminates the accounts receivable securitization facility.
- Terminates the ability to have foreign borrowers under the revolving credit agreement.

On September 9, 2014, we amended the revolving credit agreement (Amendment No. 4) to effect the following:

- Permitting a one-time exemption of up to $200 million in share repurchases (consummated in a single transaction or series of related transactions), effective until December 31, 2015. We are not obligated to make any purchases and the program may be suspended or discontinued at any time.
- Reducing the size of the existing unsecured facility from $1.75 billion to $1.25 billion.
- Adding restrictions on the granting of certain pledges and guarantees.
- Adding an obligation to enter into a security agreement, on or before June 30, 2015, to grant security interests to secure obligations under the revolving credit agreement on U.S. receivables and inventory, other than receivables and related property subject to certain existing receivable securitization or other facilities, a pledge of 65 percent of the stock of all material, wholly-owned first-tier foreign subsidiaries and a pledge of all of the stock of all material U.S. subsidiaries, in each case, subject to certain limitations.

All terms of Amendment No. 3 as of June 30, 2014, as discussed below, remained in place and were not changed by Amendment No. 4 as of September 9, 2014.

On June 30, 2014, we amended the revolving credit agreement (Amendment No. 3) to effect the following:

- Replacing the current maximum leverage covenant ratio of debt to earnings of less than 3.5 times with a maximum balance sheet leverage ratio of debt to capitalization of less than 45 percent.
- Resetting the minimum interest coverage ratio from 2.5 to 1.0 to the ratio of 3.5 to 1.0.
- Amending the definition of EBITDA to include certain cash charges related to the Company’s Wabush mine and other cash restructuring charges and the definition of net worth to exclude up to $1.0 billion in non-cash impairment charges.

- Modifying the covenants restricting certain investments and acquisitions, the incurrence of certain indebtedness and liens, and the amount of dividends that may be declared or paid and shares that may be repurchased.

On January 22, 2015, we further amended the revolving credit agreement. Refer to NOTE 21 - SUBSEQUENT EVENTS for further information regarding Amendment No. 6.

As of December 31, 2014 and 2013, we were in compliance with all applicable financial covenants related to the revolving credit agreement.

$500 Million Senior Notes — 2012 Offering

On December 6, 2012, we completed a $500 million public offering of senior notes at 3.95 percent due January 15, 2018. Interest is fixed and is payable on January 15 and July 15 of each year, beginning on July 15, 2013 until maturity. The senior notes are unsecured obligations and rank equally in right of payment with all our other existing and future unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts. A portion of the net proceeds from the senior notes offering were used on December 28, 2012 to repay $270.0 million and $55.0 million outstanding private placement senior notes in the aggregate and also for the repayment of a portion of the borrowings outstanding under the term loan and the revolving credit facility.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 50 basis points with respect to the 2018 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption.

In addition, if a change of control triggering event occurs with respect to the senior notes, as defined in the agreement, we will be required to offer to purchase the notes of the applicable series at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

Interest Rate Adjustment Based on Rating Events

The interest rate payable on the $500.0 million 3.95 percent senior notes may be subject to adjustments from time to time if either Moody's or S&P or, in either case, any Substitute Rating Agency thereof downgrades (or subsequently upgrades) the debt rating assigned to the senior notes. In no event shall (1) the interest rate for the senior notes be reduced to below the interest rate payable on the senior notes on the date of the initial issuance of senior notes or (2) the total increase in the interest rate on the senior notes exceed 2.00 percent above the interest rate payable on the senior notes on the date of the initial issuance of senior notes. During 2014, the interest rate payable on the $500.0 million 3.95 percent senior notes was increased from 3.95 percent ultimately to 5.70 percent based on Substitute Rating Agency downgrades throughout the year.

$1 Billion Senior Notes — 2011 Offering

On March 23, 2011 and April 1, 2011, respectively, we completed a $1 billion public offering of senior notes consisting of two tranches: a 10-year tranche of $700 million aggregate principal amount at 4.88 percent senior notes due April 1, 2021, and a 30-year tranche of $300 million aggregate principal amount at 6.25 percent senior notes due October 1, 2040, of which $500 million aggregate principal amount previously was issued during September 2010. Interest is fixed and is payable on April 1 and October 1 of each year, beginning on October 1, 2011, for both series of senior notes until maturity. The senior notes are unsecured obligations and rank equally in right of payment with all our other existing and future unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts. The net proceeds from the senior notes offering were used to fund a portion of the acquisition of Consolidated Thompson and to pay the related fees and expenses.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 25 basis points with respect to the 2021 senior notes and 40 basis points with respect to the 2040 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption. However, if the 2021 senior notes are redeemed on or after the date that is three months prior to their maturity date, the 2021 senior notes will be redeemed at a redemption price equal to 100 percent of the principal amount of the notes to be redeemed plus accrued and unpaid interest to the date of redemption.

In addition, if a change of control triggering event occurs with respect to the senior notes, as defined in the agreement, we will be required to offer to purchase the notes of the applicable series at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

$1 Billion Senior Notes — 2010 Offering

On September 20, 2010, we completed a $1 billion public offering of senior notes consisting of two tranches: a 10-year tranche of $500 million aggregate principal amount at 4.80 percent due October 1, 2020, and a 30-year tranche of $500 million aggregate principal amount at 6.25 percent due October 1, 2040. Interest is fixed and is payable on April 1 and October 1 of each year, beginning on April 1, 2011, for both series of senior notes until maturity. The senior notes are unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts.

A portion of the net proceeds from the senior notes offering was used on September 22, 2010 to repay $350 million outstanding under our credit facility. A portion of the net proceeds was also used for general corporate purposes, including funding of capital expenditures and were used to fund a portion of the acquisition of Consolidated Thompson and related expenses.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 35 basis points with respect to the 2020 senior notes and 40 basis points with respect to the 2040 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption. In addition, if a change of control triggering event occurs with respect to the notes, we will be required to offer to purchase the notes at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

$400 Million Senior Notes Offering — 2010 Offering

On March 17, 2010, we completed a $400 million public offering of senior notes due March 15, 2020. Interest at a fixed rate of 5.90 percent is payable on March 15 and September 15 of each year, beginning on September 15, 2010, until maturity on March 15, 2020. The senior notes are unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts.

A portion of the net proceeds from the senior notes offering was used on March 31, 2010 to repay our $200 million term loan under our credit facility, as well as to repay on May 27, 2010 our share of Amapá's remaining debt outstanding of $100.8 million. In addition, we used the remainder of the net proceeds to help fund the acquisitions of Spider and CLCC during the third quarter of 2010.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis, plus accrued and unpaid interest to the date of redemption. In addition, if a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

Equipment Loans

During the second half of 2013, we entered into $164.8 million of seven-year installment equipment loans with various interest rates. The loans are secured by equipment from our Eastern Canadian Iron Ore operations as well as a parent guarantee. Proceeds from the borrowings were used for general corporate purposes.

Short-Term Facilities

Asia Pacific Iron Ore maintains a bank contingent instrument and cash advance facility. The facility, which is renewable annually at the bank's discretion, provides A$3.0 million ($2.5 million) at December 31, 2014 in credit for contingent instruments, such as performance bonds, and the ability to request a cash advance facility to be provided at the discretion of the bank. The facility limit was reduced from A$30.0 million to A$3.0 million during the fourth quarter of 2014. At December 31, 2013, the facility provided A$30.0 million ($26.8 million) in credit for contingent instruments. As of December 31, 2014, the outstanding bank guarantees under the facility totaled A$1.5 million ($1.2 million), thereby reducing borrowing capacity to A$1.5 million ($1.3 million). As of December 31, 2013, the outstanding bank guarantees under the facility totaled A$23.0 million ($20.5 million), thereby reducing borrowing capacity to A$7.0 million ($6.3 million). We have provided a guarantee of the facility, along with certain of our Australian subsidiaries. The terms of the short-term facility contain certain customary covenants; however, there are no financial covenants.

Letters of Credit

We have outstanding letters of credit provided for under the amended revolving credit agreement which totaled $149.5 million and $8.4 million as of December 31, 2014 and December 31, 2013, respectively. Additionally, we issued standby letters of credit with certain financial institutions in addition to the letters of credit provided for under the revolving credit agreement of $48.0 million as of December 31, 2013.

Debt Maturities

The following represents a summary of our maturities of debt instruments, excluding borrowings on the amended revolving credit agreement, based on the principal amounts outstanding at December 31, 2014:

	(In Millions)
	Maturities of Debt
2015	$ 21.8
2016	22.7
2017	23.6
2018	504.6
2019	25.5
2020 and thereafter	2,397.6
Total maturities of debt	$ 2,995.8

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following represents the assets and liabilities of the Company measured at fair value at December 31, 2014 and 2013:

Description	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In Millions) December 31, 2014			
Assets:				
Derivative assets	**—**	**—**	**63.2**	**63.2**
Available-for-sale marketable securities	**4.3**	**—**	**—**	**4.3**
Total	**$ 4.3**	**$ —**	**$ 63.2**	**$ 67.5**
Liabilities:				
Derivative liabilities	**$ —**	**$ —**	**$ 11.8**	**$ 11.8**
Foreign exchange contracts	**—**	**31.5**	**—**	**31.5**
Total	**$ —**	**$ 31.5**	**$ 11.8**	**$ 43.3**

Description	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In Millions) December 31, 2013			
Assets:				
Cash equivalents	$ 85.0	$ —	$ —	$ 85.0
Derivative assets	—	—	58.9	58.9
Available-for-sale marketable securities	21.4	—	—	21.4
Foreign exchange contracts	—	0.3	—	0.3
Total	$ 106.4	$ 0.3	$ 58.9	$ 165.6
Liabilities:				
Derivative liabilities	$ —	$ 2.1	$ 10.3	$ 12.4
Foreign exchange contracts	—	26.9	—	26.9
Total	$ —	$ 29.0	$ 10.3	$ 39.3

Financial assets classified in Level 1 at December 31, 2014 include available-for-sale marketable securities. Financial assets classified in Level 1 at December 31, 2013 include money market funds and available-for-sale marketable securities. The valuation of these instruments is based upon unadjusted quoted prices for identical assets in active markets.

The valuation of financial assets and liabilities classified in Level 2 is determined using a market approach based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable. Level 2 securities primarily include derivative financial instruments valued using financial models that use as their basis readily observable market parameters. At December 31, 2014, such derivative financial instruments included our existing foreign currency exchange contracts. At December 31, 2013, such derivative financial instruments included our existing foreign currency exchange contracts and interest rate swaps. The fair value of the foreign currency exchange contracts is based on forward market prices and represents the estimated amount we would receive or pay to terminate these agreements at the reporting date, taking into account creditworthiness, nonperformance risk and liquidity risks associated with current market conditions.

The derivative assets classified within Level 3 at December 31, 2014 and December 31, 2013 included a freestanding derivative instrument related to certain supply agreements with one of our U.S. Iron Ore customers. The agreements include provisions for supplemental revenue or refunds based on the customer's annual steel pricing at the time the product is consumed in the customer's blast furnaces. We account for this provision as a derivative instrument at the time of sale and adjust this provision to fair value as an adjustment to *Product revenues* each reporting period until the product is consumed and the amounts are settled. The fair value of the instrument is determined using a market approach based on an estimate of the annual realized price of hot-rolled steel at the steelmaker's facilities, and takes into consideration current market conditions and nonperformance risk.

The Level 3 derivative assets and liabilities at December 31, 2014 and December 31, 2013 also consisted of derivatives related to certain provisional pricing arrangements with our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customers. These provisional pricing arrangements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate to be based on market inputs at a specified point in time in the future, per the terms of the supply agreements. The difference between the provisionally agreed-upon price and the estimated final revenue rate is characterized as a derivative and is required to be accounted for separately once the revenue has been recognized. The derivative instrument is adjusted to fair value through *Product revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rate is determined.

The following table illustrates information about quantitative inputs and assumptions for the derivative assets and derivative liabilities categorized in Level 3 of the fair value hierarchy:

Qualitative/Quantitative Information About Level 3 Fair Value Measurements

($ in millions)	Fair Value at 12/31/2014	Balance Sheet Location	Valuation Technique	Unobservable Input	Range or Point Estimate (Weighted Average)
Provisional Pricing Arrangements	$ 11.8	*Other current liabilities*	Market Approach	Management's Estimate of 62% Fe	$72
Customer Supply Agreement	$ 63.2	*Other current assets*	Market Approach	Hot-Rolled Steel Estimate	$590 - $640 ($610)

The significant unobservable input used in the fair value measurement of the reporting entity's provisional pricing arrangements is management's estimate of 62 percent Fe fines spot price based upon current market data, including historical seasonality and forward-looking estimates determined by management. Significant increases or decreases in this input would result in a significantly higher or lower fair value measurement, respectively.

The significant unobservable input used in the fair value measurement of the reporting entity's customer supply agreements is the future hot-rolled steel price that is estimated based on current market data, analysts' projections, projections provided by the customer and forward-looking estimates determined by management. Significant increases or decreases in this input would result in a significantly higher or lower fair value measurement, respectively.

We recognize any transfers between levels as of the beginning of the reporting period, including both transfers into and out of levels. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2014 and 2013. The following tables represent a reconciliation of the changes in fair value of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2014 and 2013.

	(In Millions)			
	Derivative Assets (Level 3)		**Derivative Liabilities (Level 3)**	
	Year Ended December 31,		**Year Ended December 31,**	
	2014	2013	**2014**	2013
Beginning balance - January 1	**$ 58.9**	$ 62.4	**$ (10.3)**	$ (11.3)
Total gains (losses)				
Included in earnings	**187.8**	152.3	**(11.8)**	(10.3)
Settlements	**(183.5)**	(155.8)	**10.3**	11.3
Transfers into Level 3	**—**	—	**—**	—
Transfers out of Level 3	**—**	—	**—**	—
Ending balance - December 31	**$ 63.2**	$ 58.9	**$ (11.8)**	$ (10.3)
Total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) on assets still held at the reporting date	**$ 187.8**	$ 152.3	**$ (11.8)**	$ (10.3)

Gains and losses included in earnings are reported in *Product revenues* in the Statements of Consolidated Operations for the years ended December 31, 2014 and 2013.

The carrying amount for certain financial instruments (e.g. *Accounts receivable, net*, *Accounts payable* and *Accrued expenses*) approximate fair value and, therefore, have been excluded from the table below. A summary of the carrying amount and fair value of other financial instruments at December 31, 2014 and 2013 were as follows:

		(In Millions)			
		December 31, 2014		December 31, 2013	
	Classification	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Long-term debt:					
Senior notes—$700 million	Level 2	**689.5**	**367.3**	699.4	718.2
Senior notes—$1.3 billion	Level 2	**1,279.9**	**704.0**	1,289.6	1,404.9
Senior notes—$400 million	Level 2	**393.7**	**228.1**	398.4	432.1
Senior notes—$500 million	Level 2	**477.4**	**312.0**	496.5	523.8
Revolving loan	Level 2	**—**	**—**	—	—
Equipment Loan Facilities	Level 2	**119.0**	**119.0**	140.8	140.8
Fair Value Adjustment to Interest Rate Hedge	Level 2	**2.8**	**2.8**	(2.1)	(2.1)
Total long-term debt		**$ 2,962.3**	**$ 1,733.2**	$ 3,022.6	$ 3,217.7

The fair value of long-term debt was determined using quoted market prices or discounted cash flows based upon current borrowing rates. The revolving loan and equipment loan facilities are variable rate interest and approximate fair value. See NOTE 5 - DEBT AND CREDIT FACILITIES for further information.

Items Measured at Fair Value on a Non-Recurring Basis

The following tables present information about the impairment charges on both financial and nonfinancial assets that were measured on a fair value basis at December 31, 2014 and December 31, 2013. The table also indicates the fair value hierarchy of the valuation techniques used to determine such fair value.

	(In Millions)				
	Year Ended December 31, 2014				
Description	**Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**	**Total Losses**
Assets:					
Goodwill impairment - Asia Pacific Iron Ore reporting unit	$ —	$ —	$ —	$ —	$ 73.5
Other long-lived assets - Property, plant and equipment and Mineral rights:					
Asia Pacific Iron Ore reporting unit	—	—	72.4	72.4	526.5
North American Coal reporting unit					
CLCC thermal asset group	—	—	62.6	62.6	195.5
Pinnacle asset group	—	—	30.7	30.7	394.5
Oak Grove asset group	—	—	23.4	23.4	267.5
Eastern Canadian Iron Ore reporting unit					
Bloom Lake asset group	—	—	187.9	187.9	7,043.7
Wabush asset group	—	—	42.7	42.7	132.6
Ferroalloys reporting unit	—	—	12.2	12.2	259.5
Other reporting units	—	—	—	—	19.2
Other long-lived assets - Intangibles and other long-term assets:					
Asia Pacific Iron Ore reporting unit	—	—	7.0	7.0	24.2
Eastern Canadian Iron Ore reporting unit					
Bloom Lake asset group	—	—	—	—	56.2
Wabush asset group	—	—	—	—	36.7
Ferroalloys reporting unit	—	—	—	—	0.3
Investment in ventures impairment - Global Exploration	—	—	—	—	9.2
	$ —	$ —	$ 438.9	$ 438.9	$ 9,039.1

Financial Assets

During the third quarter of 2014, an impairment charge of $9.2 million to investment in ventures was recorded within our Global Exploration operating segment as a decision was made to abandon the investment during the period.

Non-Financial Assets

During the third and fourth quarter of 2014, we identified factors that indicated the carrying values of the asset groups in the chart above may not be recoverable primarily due to long-term price forecasts as part of management's long-range planning process. Updated estimates of long-term prices for all products, specifically the Platts 62 percent Fe fines spot price, which particularly effects Eastern Canadian Iron Ore and Asia Pacific Iron Ore business segments because their contracts correlate heavily to world market spot pricing, and the benchmark price for premium low-volatile hard coking coal were lower than prior estimates. These estimates were updated based upon current market conditions, macro-economic factors influencing the balance of supply and demand for our products and expectations for future cost and capital expenditure requirements. Additionally, a new CEO, Lourenco Goncalves, was appointed by the Board of Directors in early August 2014 and subsequently identified as the CODM in accordance with ASC 280, Segment Reporting. The new CODM views Eastern Canadian Iron Ore, Asia Pacific Iron Ore, North American Coal and Ferroalloys as non-core assets and has communicated plans to evaluate the business units for a change in strategy including possible divestiture. These factors, among other considerations utilized in the individual impairment assessments, indicate that the carrying value of the respective asset groups in the chart above and Asia Pacific Iron Ore goodwill may not be recoverable.

During the third quarter of 2014, a goodwill impairment charge of $73.5 million was recorded for our Asia Pacific Iron Ore reporting segment. Based on our review of the fair value hierarchy, the inputs used in these fair value measurements were considered Level 3 inputs.

We also recorded impairment charges to property, plant and equipment, mineral rights, intangible assets and other long-term assets during the second half of 2014 related to our Wabush operation and Bloom Lake operation within our Eastern Canadian Iron Ore operating segment, our Asia Pacific Iron Ore operating segment and our CLCC thermal operation, Oak Grove operation and Pinnacle operation within our North American Coal operating segment, along with impairments charged to reporting units within our *Other* reportable segments. A detailed break out of the impairment charges is shown in the chart above. The recorded impairment charges reduce the related assets to their estimated fair value as we determined that the future cash flows associated with these operations were not sufficient to support the recoverability of the carrying value of these assets. Fair value was determined based on management's best estimate within a range of fair values, which is considered a Level 3 input, and resulted in an asset impairment charge of $8,956.4 million. The Level 3 inputs used to determine fair value included models developed and market inputs obtained by management which provided a range of fair value estimates of property, plant and equipment. Management’s models include internally developed long-term future cash flow estimates, capital expenditure and cost estimates, market inputs to determine long-term pricing assumptions, discount rates, and foreign exchange rates.

	(In Millions)				
	Year Ended December 31, 2013				
Description	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Total Losses
Assets:					
Goodwill impairment - Ferroalloys reporting unit	$ —	$ —	$ —	$ —	$ 80.9
Other long-lived assets - Property, plant and equipment	—	—	46.3	46.3	155.4
Other long-lived assets - Intangibles and long-term deposits	—	—	1.6	1.6	14.5
Investment in ventures impairment - Amapá	—	—	—	—	67.6
Total	$ —	$ —	$ 47.9	$ 47.9	$ 318.4

Financial Assets

In light of the March 28, 2013 collapse of the Santana port shiploader and subsequent evaluation of the effect that this event had on the carrying value of our investment in Amapá as of June 30, 2013, we recorded an impairment charge of $67.6 million in the second quarter of 2013. The sale of Amapá was completed in the fourth quarter of 2013.

Non-Financial Assets

During the fourth quarter of 2013, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. The impairment charge was primarily a result of the decision to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online. Based on our review of the fair value hierarchy, the inputs used in these fair value measurements were considered Level 3 inputs.

We also recorded an impairment charges to property, plant and equipment during 2013 related to our Wabush operation within our Eastern Canadian Iron Ore operating segment, our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our *Other* reportable segments and certain mineral lands at our Asia Pacific Iron Ore operating segment to reduce the related assets to their estimated fair value as we determined that the cash flows associated with these operations were not sufficient to support the recoverability of the carrying value of these assets. Fair value was determined based on management's estimate of liquidation value, which is considered a Level 3 input, and resulted in a charge of $155.4 million.

NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We offer defined benefit pension plans, defined contribution pension plans and other postretirement benefit plans, primarily consisting of retiree healthcare benefits, to most employees in North America as part of a total compensation and benefits program. We do not have employee retirement benefit obligations at our Asia Pacific Iron Ore operations or our Bloom Lake mine operations within our Eastern Canadian Iron Ore segment. The defined benefit pension plans largely are noncontributory and benefits generally are based on employees' years of service and average earnings for a defined period prior to retirement or a minimum formula.

The labor agreements we have with the USW at our U.S. Iron Ore operations cover approximately 2,200 USW-represented employees at our Empire and Tilden mines in Michigan and our United Taconite and Hibbing mines in Minnesota, or 40.9 percent of our total workforce. The 2012 USW agreement sets temporary monthly postretirement OPEB caps for participants who retire prior to January 1, 2015. These premium maximums will expire at the end of the contract period and revert to increasing premiums based on the terms of the 2004 bargaining agreement. The agreements also provide for an OPEB cap that will limit the amount of contributions that we have to make toward medical insurance coverage for each retiree and spouse of a retiree per calendar year after it goes into effect. The amount of the annual OPEB cap will be based upon the costs we incurred in 2014. The OPEB cap applies to employees who retire on or after January 1, 2015 and will not apply to surviving spouses. In addition, the agreements renewed the lump sum special payments for certain employees retiring in the near future.

In addition, we currently provide various levels of retirement health care and OPEB to most full-time employees who meet certain length of service and age requirements (a portion of which is pursuant to collective bargaining agreements). Most plans require retiree contributions and have deductibles, co-pay requirements and benefit limits. Most bargaining unit plans require retiree contributions and co-pays for major medical and prescription drug coverage. There is an annual limit on our cost for medical coverage under the U.S. salaried plans. The annual limit applies to each covered participant and equals $7,000 for coverage prior to age 65 and $3,000 for coverage after age 65, with the retiree's participation adjusted based on the age at which the retiree's benefits commence. Beginning in 2015, Cliffs is changing the delivery of the post-65 salaried retiree medical benefit program from an employer sponsored plan to the combination of an employer subsidy plan and an individual supplemental Medicare insurance plan purchased through a Medicare exchange. This allows the program to take full advantage of available government subsidies and more efficient pricing in the Medicare market. For participants at our Northshore operation, the annual limit ranges from $4,020 to $4,500 for coverage prior to age 65, and equals $2,000 for coverage after age 65. Covered participants pay an amount for coverage equal to the excess of (i) the average cost of coverage for all covered participants, over (ii) the participant's individual limit, but in no event will the participant's cost be less than 15.0 percent of the average cost of coverage for all covered participants. For Northshore participants, the minimum participant cost is a fixed dollar amount. We do not provide OPEB for most U.S. salaried employees hired after January 1, 1993. Retiree healthcare coverage is provided through programs administered by insurance companies whose charges are based on benefits paid.

Our North American Coal segment is required under an agreement with the UMWA to contribute to the UMWA 1974 Pension Trust based principally on hours worked by UMWA-represented employees. This agreement covers approximately 800 UMWA-represented employees at our Pinnacle Complex in West Virginia and our Oak Grove mine in Alabama, or 15.2 percent of our total workforce. The multi-employer pension trust provides pension benefits to eligible retirees through a defined benefit plan. The UMWA 1993 Benefit Plan is a defined contribution plan that was created as the result of negotiations for the NBCWA of 1993. The plan provides healthcare insurance to orphan UMWA retirees who are not eligible to participate in the UMWA Combined Benefit Fund or the 1992 Benefit Fund or whose last employer signed the 1993 or later NBCWA and who subsequently goes out of business. Contributions to the trust were at a rate of $8.16 per hour worked 2014 and at a rate of $8.10 per hour worked for both 2013 and 2012. These amounted to $13.8 million in 2014 and $14.9 million in both 2013 and 2012, respectively. Our Pinnacle and Oak Grove mines are signatories to labor agreements with the UMWA, making them participants in the UMWA 1974 Pension Plan (the "1974 PP"). As of the most recent estimate, Pinnacle and Oak Grove's combined share of this underfunded liability was estimated to be approximately $330 million. If Pinnacle or Oak Grove were to withdraw from the 1974 PP or if a mass withdrawal were to occur, we would become obligated to satisfy our withdrawal liability to the 1974 PP.

In December 2003, The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was enacted. This act introduced a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that at least actuarially is equivalent to Medicare Part D. Our measures of the accumulated postretirement benefit obligation and net periodic postretirement benefit cost as of December 31, 2004 and for periods thereafter reflect amounts associated with the subsidy. We elected to adopt the retroactive transition method for recognizing the cost reduction in 2004.

The shut-down of the Wabush Scully mine on October 31, 2014 and the idling at Bloom Lake as of December 31, 2014 affected employees of both the Wabush Scully mine and Pointe Noire locations, triggering early retirement benefits for those hourly and salaried plan participants who were eligible, and termination of benefits of other participants who were not eligible. Curtailment gains related to these events totaled $7.9 million and were fully recognized in net periodic benefit cost in 2014.

The following table summarizes the annual expense recognized related to the retirement plans for 2014, 2013 and 2012:

	(In Millions)		
	2014	2013	2012
Defined benefit pension plans	**$ 31.3**	$ 52.1	$ 55.2
Defined contribution pension plans	**6.3**	6.8	6.7
Other postretirement benefits	**(0.7)**	17.4	28.1
Total	**$ 36.9**	$ 76.3	$ 90.0

The following tables and information provide additional disclosures for our consolidated plans.

Obligations and Funded Status

The following tables and information provide additional disclosures for the December 31, 2014 and 2013:

	(In Millions)			
	Pension Benefits		Other Benefits	
Change in benefit obligations:	**2014**	2013	**2014**	2013
Benefit obligations — beginning of year	**$ 1,118.0**	$ 1,244.3	**$ 356.2**	$ 459.8
Service cost (excluding expenses)	**30.8**	38.9	**6.7**	12.3
Interest cost	**49.7**	45.9	**16.2**	17.3
Plan amendments	**—**	0.8	**(0.9)**	—
Actuarial (gain) loss	**141.6**	(121.8)	**51.9**	(103.3)
Benefits paid	**(87.0)**	(72.9)	**(27.4)**	(28.0)
Participant contributions	**—**	—	**4.8**	5.6
Federal subsidy on benefits paid	**—**	—	**0.9**	0.5
Exchange rate gain	**(18.2)**	(17.2)	**(3.7)**	(8.0)
Curtailment gain	**(10.9)**	—	**(8.8)**	—
Special termination benefits	**3.4**	—	**—**	—
Benefit obligations — end of year	**$ 1,227.4**	$ 1,118.0	**$ 395.9**	$ 356.2
Change in plan assets:				
Fair value of plan assets — beginning of year	**$ 915.3**	$ 838.7	**$ 251.8**	$ 237.0
Actual return on plan assets	**78.7**	109.5	**31.9**	11.0
Participant contributions	**—**	—	**0.8**	1.8
Employer contributions	**60.5**	53.7	**6.9**	20.7
Benefits paid	**(87.0)**	(72.9)	**(22.1)**	(18.7)
Exchange rate loss	**(17.9)**	(13.7)	**—**	—
Fair value of plan assets — end of year	**$ 949.6**	$ 915.3	**$ 269.3**	$ 251.8
Funded status at December 31:				
Fair value of plan assets	**$ 949.6**	$ 915.3	**$ 269.3**	$ 251.8
Benefit obligations	**(1,227.4)**	(1,118.0)	**(395.9)**	(356.2)
Funded status (plan assets less benefit obligations)	**$ (277.8)**	$ (202.7)	**$ (126.6)**	$ (104.4)
Amount recognized at December 31	**$ (277.8)**	$ (202.7)	**$ (126.6)**	$ (104.4)
Amounts recognized in Statements of Financial Position:				
Current liabilities	**$ (2.4)**	$ (5.2)	**$ (6.8)**	$ (7.9)
Noncurrent liabilities	**(275.4)**	(197.5)	**(119.8)**	(96.5)
Net amount recognized	**$ (277.8)**	$ (202.7)	**$ (126.6)**	$ (104.4)
Amounts recognized in accumulated other comprehensive income:				
Net actuarial loss	**$ 341.5**	$ 230.6	**$ 97.1**	$ 67.0
Prior service cost	**10.6**	14.9	**(42.9)**	(45.4)
Net amount recognized	**$ 352.1**	$ 245.5	**$ 54.2**	$ 21.6
The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2015:				
Net actuarial loss	**$ 22.3**		**$ 6.3**	
Prior service cost	**2.4**		**(3.7)**	
Net amount recognized	**$ 24.7**		**$ 2.6**	

	(In Millions)							
	2014							
	Pension Plans					**Other Benefits**		
	Salaried	**Hourly**	**Mining**	**SERP**	**Total**	**Salaried**	**Hourly**	**Total**
Fair value of plan assets	**$ 366.4**	**$ 576.6**	**$ 6.6**	**$ —**	**$ 949.6**	**$ —**	**$ 269.3**	**$ 269.3**
Benefit obligation	**(471.4)**	**(739.2)**	**(9.2)**	**(7.6)**	**(1,227.4)**	**(54.0)**	**(341.9)**	**(395.9)**
Funded status	**$ (105.0)**	**$ (162.6)**	**$ (2.6)**	**$ (7.6)**	**$ (277.8)**	**$ (54.0)**	**$ (72.6)**	**$ (126.6)**

	2013							
	Pension Plans					Other Benefits		
	Salaried	Hourly	Mining	SERP	Total	Salaried	Hourly	Total
Fair value of plan assets	$ 357.4	$ 552.7	$ 5.2	$ —	$ 915.3	$ —	$ 251.8	$ 251.8
Benefit obligation	(427.2)	(674.8)	(6.8)	(9.2)	(1,118.0)	(53.6)	(302.6)	(356.2)
Funded status	$ (69.8)	$ (122.1)	$ (1.6)	$ (9.2)	$ (202.7)	$ (53.6)	$ (50.8)	$ (104.4)

The accumulated benefit obligation for all defined benefit pension plans was $1,204.4 million and $1,091.4 million at December 31, 2014 and 2013, respectively. The increase in the accumulated benefit obligation primarily is a result of a decrease in the discount rates and adoption of the updated RP-2014 mortality tables.

Components of Net Periodic Benefit Cost

	(In Millions)					
	Pension Benefits			**Other Benefits**		
	2014	2013	2012	**2014**	2013	2012
Service cost	**$ 30.8**	$ 38.9	$ 32.0	**$ 6.7**	$ 12.3	$ 14.7
Interest cost	**49.7**	45.9	48.4	**16.2**	17.3	20.6
Expected return on plan assets	**(72.3)**	(65.6)	(59.5)	**(17.1)**	(20.1)	(17.7)
Amortization:						
Net asset	**—**	—	—	**—**	—	(3.0)
Prior service costs (credits)	**2.7**	3.0	3.9	**(3.6)**	(3.6)	1.9
Net actuarial loss	**14.1**	29.9	30.4	**5.0**	11.5	11.6
Curtailments and settlements	**2.9**	—	—	**(7.9)**	—	—
Special termination benefits	**3.4**	—	—	**—**	—	—
Net periodic benefit cost	**$ 31.3**	$ 52.1	$ 55.2	**$ (0.7)**	$ 17.4	$ 28.1
Curtailment effects	**—**	—	—	**(0.8)**	—	—
Current year actuarial (gain)/loss	**121.8**	(168.8)	53.1	**36.9**	(95.2)	3.2
Amortization of net loss	**(15.5)**	(29.9)	(30.4)	**(5.0)**	(11.5)	(11.6)
Current year prior service (credit) cost	**(1.5)**	0.8	2.8	**(0.9)**	—	(58.3)
Amortization of prior service (cost) credit	**(2.7)**	(3.0)	(3.9)	**3.6**	3.6	(1.9)
Amortization of transition asset	**—**	—	—	**—**	—	3.0
Total recognized in other comprehensive income	**$ 102.1**	$ (200.9)	$ 21.6	**$ 33.8**	$ (103.1)	$ (65.6)
Total recognized in net periodic cost and other comprehensive income	**$ 133.4**	$ (148.8)	$ 76.8	**$ 33.1**	$ (85.7)	$ (37.5)

Additional Information

	(In Millions)					
	Pension Benefits			**Other Benefits**		
	2014	2013	2012	**2014**	2013	2012
Effect of change in mine ownership & noncontrolling interest	**$ 51.4**	$ 46.5	$ 54.8	**$ 5.9**	$ 4.8	$ 8.6
Actual return on plan assets	**78.7**	109.5	92.5	**31.9**	11.0	26.1

Assumptions

For our U.S. pension and other postretirement benefit plans, we used a discount rate as of December 31, 2014 of 3.83 percent, compared with a discount rate of 4.57 percent as of December 31, 2013. The U.S. discount rates are determined by matching the projected cash flows used to determine the PBO and APBO to a projected yield curve of 715 Aa graded bonds in the 10th to 90th percentiles. These bonds are either noncallable or callable with make-whole provisions. The duration matching produced rates ranging from 3.72 percent to 3.92 percent for our plans. Based upon these results, we selected a December 31, 2014 discount rate of 3.83 percent for our plans. This methodology is consistent with the calculation of the prior-year discount rate.

On December 31, 2014, we adopted the RP-2014 mortality tables projected generationally using scale MP-2014 with blue collar and white collar adjustments made for certain hourly and salaried groups, to determine the expected life of our plan participants, replacing the IRS 2014 prescribed mortality tables for our U.S. plans. The adoption of the new tables resulted in increases to our U.S. plan projected benefit obligations totaling approximately $30.0 million or 4 percent percent for the pension plans and $20 million or 7 percent for the OPEB plans.

For our Canadian plans, we used a discount rate as of December 31, 2014 of 3.75 percent for the pension plans and the other postretirement benefit plans. Similar to the U.S. plans, the Canadian discount rates are determined by matching the projected cash flows used to determine the PBO and APBO to a projected yield curve of 285 corporate bonds in the 10th to 90th percentiles. The corporate bonds are either Aa graded, or (for maturities of 10 or more years) A or Aaa graded with an appropriate credit spread adjustment. These bonds are either noncallable or callable with make whole provisions. This methodology is consistent with the calculation of the prior-year discount rate.

On December 31, 2014, we adopted the 2014 Private Sector Canadian Pensioners' Mortality Table for the hourly plans and the 2014 Canadian Pensioners' Mortality Table for the salaried plans, where both tables were projected generationally using scale CPM-B, replacing the UP 1994 table with full projection. The adoption of the new tables resulted in increases to our Canadian plan projected benefit obligations totaling approximately $12 million or 5 percent for the pension plans and $3 million or 5 percent for the OPEB plans.

Weighted-average assumptions used to determine benefit obligations at December 31 were:

	Pension Benefits		Other Benefits	
	2014	2013	**2014**	2013
U.S. plan discount rate	**3.83%**	4.57%	**3.83%**	4.57%
Canadian plan discount rate	**3.75**	4.50	**3.75**	4.75
U.S. salaried rate of compensation increase	**3.00**	4.00	**3.00**	4.00
Canadian rate of compensation increase	**3.00**	4.00	**N/A**	N/A
Hourly rate of compensation increase (ultimate)	**2.50**	3.00	**N/A**	N/A
U.S. expected return on plan assets	**8.25**	8.25	**7.00**	7.00
Canadian expected return on plan assets	**7.25**	7.25	**N/A**	N/A

Weighted-average assumptions used to determine net benefit cost for the years 2014, 2013 and 2012 were:

	Pension Benefits			Other Benefits		
	2014	2013	2012	**2014**	2013	2012
U.S. plan discount rate	**4.57 %**	3.70 %	4.28 %	**4.57 %**	3.70 %	4.28/3.51 % [1]
Canadian plan discount rate	**4.50**	3.75	4.00	**4.75**	4.00	4.25
U.S. expected return on plan assets	**8.25**	8.25	8.25	**7.00**	8.25	8.25
Canadian expected return on plan assets	**7.25**	7.25	7.25	**N/A**	N/A	N/A
U.S. salaried rate of compensation increase	**4.00**	4.00	4.00	**4.00**	4.00	4.00
U.S. hourly rate of compensation increase	**3.00**	4.00	4.00	**4.00**	4.00	4.00
Canadian rate of compensation increase	**4.00**	4.00	4.00	**4.00**	4.00	4.00

[1] 4.28 percent for the Salaried Plan. For the Hourly Plan, 4.28 percent from January 1, 2012 through October 31, 2012, and 3.51 percent from November 1, 2012 through December 31, 2012.

Assumed health care cost trend rates at December 31 were:

	2014	2013
U.S. plan health care cost trend rate assumed for next year	**7.00 %**	7.25 %
Canadian plan health care cost trend rate assumed for next year	**4.25**	4.00
Ultimate health care cost trend rate	**5.00**	5.00
U.S. plan year that the ultimate rate is reached	**2023**	2023
Canadian plan year that the ultimate rate is reached	**2018**	2018

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A change of one percentage point in assumed health care cost trend rates would have the following effects:

	(In Millions)	
	Increase	**Decrease**
Effect on total of service and interest cost	$ 3.4	$ (2.7)
Effect on postretirement benefit obligation	49.6	(39.9)

Plan Assets

Our financial objectives with respect to our pension and VEBA plan assets are to fully fund the actuarial accrued liability for each of the plans, to maximize investment returns within reasonable and prudent levels of risk, and to maintain sufficient liquidity to meet benefit obligations on a timely basis.

Our investment objective is to outperform the expected ROA assumption used in the plans' actuarial reports over a full market cycle, which is considered a period during which the U.S. economy experiences the effects of both an upturn and a downturn in the level of economic activity. In general, these periods tend to last between three and five years. The expected ROA takes into account historical returns and estimated future long-term returns based on capital market assumptions applied to the asset allocation strategy. The expected return is net of investment expenses paid by the plans.

The asset allocation strategy is determined through a detailed analysis of assets and liabilities by plan, which defines the overall risk that is acceptable with regard to the expected level and variability of portfolio returns, surplus (assets compared to liabilities), contributions and pension expense.

The asset allocation review process involves simulating the effect of financial market performance for various asset allocation scenarios and factoring in the current funded status and likely future funded status levels by taking into account expected growth or decline in the contributions over time. The modeling is then adjusted by simulating unexpected changes in inflation and interest rates. The process also includes quantifying the effect of investment performance and simulated changes to future levels of contributions, determining the appropriate asset mix with the highest likelihood of meeting financial objectives and regularly reviewing our asset allocation strategy.

The asset allocation strategy varies by plan. The following table reflects the actual asset allocations for pension and VEBA plan assets as of December 31, 2014 and 2013, as well as the 2015 weighted average target asset allocations as of December 31, 2014. Equity investments include securities in large-cap, mid-cap and small-cap companies located in the U.S. and worldwide. Fixed income investments primarily include corporate bonds and government debt securities. Alternative investments include hedge funds, private equity, structured credit and real estate.

	Pension Assets			VEBA Assets		
	2015 Target	Percentage of Plan Assets at December 31,		2015 Target	Percentage of Plan Assets at December 31,	
Asset Category	**Allocation**	**2014**	2013	**Allocation**	**2014**	2013
Equity securities	48.2%	**48.6%**	51.5%	8.0%	**8.6%**	10.4%
Fixed income	28.4%	**29.0%**	26.7%	80.1%	**79.3%**	66.6%
Hedge funds	6.1%	**6.2%**	6.3%	4.2%	**4.3%**	9.8%
Private equity	5.5%	**3.3%**	3.2%	2.6%	**2.3%**	2.4%
Structured credit	5.9%	**6.9%**	6.7%	2.1%	**2.3%**	5.4%
Real estate	5.9%	**5.3%**	4.5%	3.0%	**3.2%**	5.3%
Cash	—%	**0.7%**	1.1%	—%	**—%**	0.1%
Total	100.0%	**100.0%**	100.0%	100.0%	**100.0%**	100.0%

Pension

The fair values of our pension plan assets at December 31, 2014 and 2013 by asset category are as follows:

	(In Millions)			
	December 31, 2014			
Asset Category	**Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Equity securities:				
U.S. large-cap	**$ 248.5**	**$ —**	**$ —**	**$ 248.5**
U.S. small/mid-cap	**55.8**	**—**	**—**	**55.8**
International	**157.4**	**—**	**—**	**157.4**
Fixed income	**243.7**	**31.8**	**—**	**275.5**
Hedge funds	**—**	**—**	**59.2**	**59.2**
Private equity	**—**	**—**	**31.2**	**31.2**
Structured credit	**—**	**—**	**65.4**	**65.4**
Real estate	**—**	**—**	**50.0**	**50.0**
Cash	**6.6**	**—**	**—**	**6.6**
Total	**$ 712.0**	**$ 31.8**	**$ 205.8**	**$ 949.6**

	(In Millions)			
	December 31, 2013			
Asset Category	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$ 261.5	$ —	$ —	$ 261.5
U.S. small/mid-cap	60.8	—	—	60.8
International	149.3	—	—	149.3
Fixed income	214.8	30.1	—	244.9
Hedge funds	—	—	57.6	57.6
Private equity	—	—	29.1	29.1
Structured credit	—	—	61.0	61.0
Real estate	—	—	40.9	40.9
Cash	10.2	—	—	10.2
Total	$ 696.6	$ 30.1	$ 188.6	$ 915.3

Following is a description of the inputs and valuation methodologies used to measure the fair value of our plan assets.

Equity Securities

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

Fixed Income

Fixed income securities classified as Level 1 investments include bonds and government debt securities. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach, and is based upon unadjusted quoted prices for identical assets in active markets. Also included in Fixed Income is a portfolio of U.S. Treasury STRIPS, which are zero-coupon bearing fixed income securities backed by the full faith and credit of the U.S. government. The securities sell at a discount to par because there are no incremental coupon payments. STRIPS are not issued directly by the Treasury, but rather are created by a financial institution, government securities broker or government securities dealer. Liquidity on the issue varies depending on various market conditions; however, in general the STRIPS market is slightly less liquid than that of the U.S. Treasury Bond market. The STRIPS are priced daily through a bond pricing vendor and are classified as Level 2.

Hedge Funds

Hedge funds are alternative investments comprised of direct or indirect investment in offshore hedge funds of funds with an investment objective to achieve an attractive risk-adjusted return with moderate volatility and moderate directional market exposure over a full market cycle. The valuation techniques used to measure fair value attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. Considerable judgment is required to interpret the factors used to develop estimates of fair value. Valuations of the underlying investment funds are obtained and reviewed. The securities that are valued by the funds are interests in the investment funds and not the underlying holdings of such investment funds. Thus, the inputs used to value the investments in each of the underlying funds may differ from the inputs used to value the underlying holdings of such funds.

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

Hedge fund investments in the SEI Special Situations Fund are valued quarterly 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. Share repurchases for the SEI Special Situations Fund are considered semi-annually subject to notice of 95 days.

Private Equity Funds

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

Investment commitments are made in private equity funds 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, 2014, remaining commitments total $55.5 million for both our pension and other benefits. Of this amount, an additional $45.0 million commitment was executed during the third quarter of 2014 in order to bring the portfolio in line with the target allocation for this asset category. Committed amounts are funded from plan assets when capital calls are made. Investment commitments are not pre-funded in reserve accounts. Refer to the valuation methodologies for equity securities above for further information.

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

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

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

Structured Credit

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

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

Real Estate

The real estate portfolio for the pension plans is an alternative investment comprised of three 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 of each property are reviewed quarterly by the investment advisor and values are adjusted if there has been a significant change in circumstances relating to the property since the last external appraisal. The valuation methodology utilized in determining the fair value is consistent with the best practices prevailing within the real estate appraisal and real estate investment management industries, including the Real Estate Information Standards, and standards promulgated by the National Council of Real Estate Investment Fiduciaries, the National Association of Real Estate Investment Fiduciaries, and the National Association of Real Estate Managers. In addition, the investment advisor may cause additional appraisals to be performed. Two of the funds' fair values are updated monthly, and there is no lag in reported values. Redemption requests for these two funds are considered on a quarterly basis, subject to notice of 45 days.

Effective October 1, 2009, one of the real estate funds began an orderly wind-down. The decision to wind down the fund primarily was driven by real estate market factors that adversely affected the availability of new investor capital. Third-party appraisals of this fund's assets were eliminated; however, internal valuation updates for all assets and liabilities of the fund are prepared quarterly. The fund's asset values are recorded on a one-quarter lag, and current market information is reviewed for any material changes in values at the reporting date. As of December 31, 2014, the fund was largely unwound with no further material distributions expected.

During 2011, a new real estate fund of funds investment was added for the Empire, Tilden, Hibbing and United Taconite VEBA plans as a result of the asset allocation review process. This fund invests in pooled investment vehicles that in turn invest in commercial real estate properties. Valuations are performed quarterly and financial statements are prepared on a semi-annual basis, with annual audited statements. Asset values for this fund are reported with a one-quarter lag and current market information is reviewed for any material changes in values at the reporting date. In most cases, values are based on valuations reported by underlying fund managers or other independent third-party sources, but the fund has discretion to use other valuation methods, subject to compliance with ERISA. Valuations are typically estimates only and subject to upward or downward revision based on each underlying fund's annual audit. Withdrawals are permitted on the last business day of each quarter subject to a 65-day prior written notice.

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the years ended December 31, 2014 and 2013:

	(In Millions)				
	Year Ended December 31, 2014				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1, 2014	$ 57.6	$ 29.1	$ 61.0	$ 40.9	$ 188.6
Actual return on plan assets:					
Relating to assets still held at the reporting date	3.1	3.2	4.4	5.2	15.9
Relating to assets sold during the period	(1.5)	3.0	—	—	1.5
Purchases	—	1.4	—	5.4	6.8
Sales	—	(5.5)	—	(1.5)	(7.0)
Ending balance — December 31, 2014	$ 59.2	$ 31.2	$ 65.4	$ 50.0	$ 205.8

	(In Millions)				
	Year Ended December 31, 2013				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1, 2013	$ 85.6	$ 29.3	$ 56.2	$ 29.4	$ 200.5
Actual return on plan assets:					
Relating to assets still held at the reporting date	4.5	(2.1)	33.5	5.1	41.0
Relating to assets sold during the period	(1.2)	5.2	(28.7)	(0.4)	(25.1)
Purchases	66.0	14.7	27.5	36.8	145.0
Sales	(97.3)	(18.0)	(27.5)	(30.0)	(172.8)
Ending balance — December 31, 2013	$ 57.6	$ 29.1	$ 61.0	$ 40.9	$ 188.6

VEBA

Assets for other benefits include VEBA trusts pursuant to bargaining agreements that are available to fund retired employees' life insurance obligations and medical benefits. The fair values of our other benefit plan assets at December 31, 2014 and 2013 by asset category are as follows:

	(In Millions)			
	December 31, 2014			
Asset Category	**Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Equity securities:				
U.S. large-cap	**$ 11.6**	**$ —**	**$ —**	**$ 11.6**
U.S. small/mid-cap	**2.9**	**—**	**—**	**2.9**
International	**8.6**	**—**	**—**	**8.6**
Fixed income	**174.5**	**39.1**	**—**	**213.6**
Hedge funds	**—**	**—**	**11.5**	**11.5**
Private equity	**—**	**—**	**6.2**	**6.2**
Structured credit	**—**	**—**	**6.1**	**6.1**
Real estate	**—**	**—**	**8.7**	**8.7**
Cash	**0.1**	**—**	**—**	**0.1**
Total	**$ 197.7**	**$ 39.1**	**$ 32.5**	**$ 269.3**

Asset Category	(In Millions) December 31, 2013 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$ 15.7	$ —	$ —	$ 15.7
U.S. small/mid-cap	2.7	—	—	2.7
International	7.8	—	—	7.8
Fixed income	134.4	33.7	—	168.1
Hedge funds	—	—	24.6	24.6
Private equity	—	—	6.0	6.0
Structured credit	—	—	13.5	13.5
Real estate	—	—	13.2	13.2
Cash	0.2	—	—	0.2
Total	$ 160.8	$ 33.7	$ 57.3	$ 251.8

Refer to the pension asset discussion above for further information regarding the inputs and valuation methodologies used to measure the fair value of each respective category of plan assets.

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the year ended December 31, 2014 and 2013:

	(In Millions) Year Ended December 31, 2014				
	Hedge Funds	**Private Equity Funds**	**Structured Credit Fund**	**Real Estate**	**Total**
Beginning balance — January 1, 2014	**$ 24.6**	**$ 6.0**	**$ 13.5**	**$ 13.2**	**$ 57.3**
Actual return on plan assets:					
Relating to assets still held at the reporting date	**0.5**	**1.0**	**0.4**	**0.9**	**2.8**
Relating to assets sold during the period	**0.6**	**0.4**	**0.4**	**0.5**	**1.9**
Purchases	**—**	**0.1**	**—**	**—**	**0.1**
Sales	**(14.2)**	**(1.3)**	**(8.2)**	**(5.9)**	**(29.6)**
Ending balance — December 31, 2014	**$ 11.5**	**$ 6.2**	**$ 6.1**	**$ 8.7**	**$ 32.5**

	(In Millions) Year Ended December 31, 2013				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1, 2014	$ 23.2	$ 6.2	$ 12.5	$ 15.9	$ 57.8
Actual return on plan assets:					
Relating to assets still held at the reporting date	2.1	0.2	2.4	2.8	7.5
Relating to assets sold during the period	(0.7)	0.4	(1.4)	(0.7)	(2.4)
Purchases	22.5	0.3	11.0	14.2	48.0
Sales	(22.5)	(1.1)	(11)	(19.0)	(53.6)
Ending balance — December 31, 2014	$ 24.6	$ 6.0	$ 13.5	$ 13.2	$ 57.3

Contributions

Annual contributions to the pension plans are made within income tax deductibility restrictions in accordance with statutory regulations. In the event of plan termination, the plan sponsors could be required to fund additional shutdown and early retirement obligations that are not included in the pension obligations. The Company currently has no intention to shutdown, terminate or withdraw from any of its employee benefit plans.

	(In Millions)			
		Other Benefits		
Company Contributions	**Pension Benefits**	**VEBA**	**Direct Payments**	**Total**
2013	$ 53.7	$ 14.6	$ 10.9	$ 25.5
2014	60.5	—	7.3	7.3
2015 (Expected)*	36.8	—	6.8	6.8

* Pursuant to the bargaining agreement, benefits can be paid from VEBA trusts that are at least 70 percent funded (all VEBA trusts are over 70 percent funded at December 31, 2014). Funding obligations have been suspended as Hibbing's, UTAC's, Tilden's and Empire's share of the value of their respective trust assets have reached 90 percent of their obligation.

VEBA plans are not subject to minimum regulatory funding requirements. Amounts contributed are pursuant to bargaining agreements.

Contributions by participants to the other benefit plans were $4.8 million for the year ended December 31, 2014 and $5.6 million for the year ended December 31, 2013.

Estimated Cost for 2015

For 2015, we estimate net periodic benefit cost as follows:

	(In Millions)
Defined benefit pension plans	$ 23.6
Other postretirement benefits	6.0
Total	$ 29.6

Estimated Future Benefit Payments

	(In Millions)			
		Other Benefits		
	Pension Benefits	**Gross Company Benefits**	**Less Medicare Subsidy**	**Net Company Payments**
2015	$ 89.3	$ 23.1	$ 0.9	$ 22.2
2016	77.7	23.0	1.0	22.0
2017	78.1	23.2	1.1	22.1
2018	79.3	23.3	1.3	22.0
2019	78.6	22.9	1.4	21.5
2020-2024	402.4	110.7	8.6	102.1

Other Potential Benefit Obligations

While the foregoing reflects our obligation, our total exposure in the event of non-performance is potentially greater. Following is a summary comparison of the total obligation:

	(In Millions)	
	December 31, 2014	
	Defined Benefit Pensions	Other Benefits
Fair value of plan assets	$ 949.6	$ 269.3
Benefit obligation	(1,227.4)	(395.9)
Underfunded status of plan	$ (277.8)	$ (126.6)
Additional shutdown and early retirement benefits	$ (26.7)	$ 40.5

NOTE 8 - STOCK COMPENSATION PLANS

At December 31, 2014, we have two share-based compensation plans, which are described below. The compensation cost that has been charged against income for those plans was $23.7 million, $21.1 million and $20.6 million in 2014, 2013 and 2012, respectively, which primarily was recorded in *Selling, general and administrative expenses* in the Statements of Consolidated Operations. The total income tax benefit recognized in the Statements of Consolidated Operations for share-based compensation arrangements was $8.3 million, $7.4 million and $7.2 million for 2014, 2013 and 2012, respectively.

Employees' Plans

The 2012 Equity Plan was approved by our Board of Directors on March 13, 2012 and our shareholders approved it on May 8, 2012, effective as of March 13, 2012. The 2012 Equity Plan replaced the ICE Plan. The maximum number of shares that may be issued under the 2012 Equity Plan is 6.0 million common shares. On February 10, 2014, upon recommendation by the Compensation and Organization Committee, Cliffs' Board of Directors approved and adopted, subject to the approval of Cliffs' shareholders at the 2014 Annual Meeting, the 2012 Amended Equity Plan. The principal reason for amending and restating the 2012 Equity Plan was to increase the number of common shares available for issuance by 5.0 million common shares. This amended plan was approved by Cliffs' shareholders at the 2014 Annual Meeting held on July 29, 2014.

The Compensation and Organization Committee of the Board of Directors approved grants under the 2012 Equity Plan and the 2012 Amended Equity Plan to certain officers and employees for the 2014 to 2016 performance period. Shares granted under the awards during 2014 consisted of 0.8 million performance shares based on TSR, 0.5 million restricted share units, 0.3 million stock options and 0.4 million performance-based restricted stock units, each of which may, or may not, convert into shares based on our shares achieving and maintaining certain milestones above an absolute threshold during the performance period.

At our July 29, 2014 Annual Meeting, the shareholders voted on the election of eleven directors. Thirteen persons were nominated for election to the eleven board positions. On August 6, 2014, the Company received the final report of the inspector of election that confirmed the election of six new directors to our Board of Directors. Such an event constituted a change in control pursuant to our incentive equity plans. As a result of such change in the majority of our directors and pursuant to the terms of the various plans and applicable award agreements, all of the outstanding and unvested equity incentives awarded to participants prior to October 2013 became vested. Accordingly, this resulted in recognizing $11.7 million of additional equity-based compensation expense in the accompanying financial statements, representing the remaining unrecognized compensation expense of the awards. For any equity grants awarded after September 2013, the vesting of all such grants will accelerate and pay out in cash only following a participant's qualifying termination of employment associated with the change in control and if the common shares are not substituted with a replacement award. This potential liability for additional double-trigger payments for share-based compensation in cash will expire entirely in two years.

For the outstanding 2012 Equity Plan and 2012 Amended Equity Plan awards that were issued subsequent to October 2013, each performance share, if earned, entitles the holder to receive common shares or cash within a range between a threshold and maximum number of our common shares, with the actual number of common shares earned dependent upon whether the Company achieves certain objectives and performance goals as established by the Compensation and Organization Committee. The performance share or unit grants vest over a period of three years and are intended to be paid out in common shares or cash in certain circumstances. Performance for the 2014 to 2016 performance periods is measured only on the basis of relative TSR for the period and measured against the constituents of the S&P Metals and Mining ETF Index on the last day of trading of the performance period. The final payouts for the 2014 to 2016 performance period will vary from zero to 200 percent of the original grant. For the outstanding performance-based restricted stock units, the award may be earned and settled based upon certain VWAP performance for the Company's common shares, (Threshold VWAP, Target VWAP, or Maximum VWAP) for any period of ninety (90) consecutive calendar days during a performance period commencing August 7, 2014 and ending December 31, 2017 (the "Performance Period"). The stock options vest in equal thirds on each of December 31, 2015, December 31, 2016 and December 31, 2017 subject to continued employment through each vesting date, and are exercisable cumulatively at a strike price of $13.83 after each vesting date and expire on November 17, 2021. The restricted share units are subject to continued employment, are retention based, will vest at the end of the respective performance period, and are payable in common shares or cash in certain circumstances at a time determined by the Committee at its discretion.

Following is a summary of our performance share award agreements currently outstanding **:**

Performance Share Plan Year	Performance Shares Granted	Estimated Forfeitures	Expected to Vest	Grant Date	Performance Period
2014	400,000	40,911	359,089	November 17, 2014	8/7/2014 - 12/31/2017
2014	283,530	24,380	259,150	July 29, 2014	1/1/2014 - 12/31/2016
2014	124,630	21,098	103,532	May 12, 2014	1/1/2014 - 12/31/2016
2014	385,585	120,299	265,286	February 10, 2014	1/1/2014 - 12/31/2016

Nonemployee Directors

At our 2014 annual meeting, the shareholders approved the Directors' Plan which became effective December 1, 2014. The Directors' Plan authorizes us to issue up to 300,000 common shares from time to time to nonemployee Directors. Under the Share Ownership Guidelines in effect for 2014 ("Guidelines"), a Director is required by the end of five years from date of election to hold common shares with a market value of at least $250,000. The Directors' Plan offers the nonemployee Director the opportunity to defer all or a portion of the awards granted.

The 2008 Directors' Plan in effect for most of 2014 provided for an Annual Equity Grant ("Equity Grant") to be awarded at our annual meeting each year to all nonemployee Directors elected or re-elected by the shareholders and a pro-rata amount was awarded to new directors upon their appointment. The value of the Equity Grant was payable in restricted shares with a three-year vesting period from the date of grant. The closing market price of our common shares on October 16, 2014 was divided into the number of common shares remaining available for issuance under the 2008 Directors' Plan to determine the number of restricted shares awarded as the Equity Grant. In 2014, nonemployee Directors each received Equity Grants valued at $85,000 which was bifurcated into two tranches since the 2008 Director's Plan did not have a sufficient number of shares available for issuance. The first tranche of the 2014 Equity Grant was granted under the 2008 Directors' Plan on October 16, 2014 and valued at $42,500. The second tranche was granted under the Directors' Plan on December 2, 2014 and valued at $42,500.

For the last three years, Equity Grant shares have been awarded to elected or re-elected nonemployee Directors as follows:

Year of Grant	Unrestricted Equity Grant Shares	Restricted Equity Grant Shares	Deferred Equity Grant Shares
2012	1,498	8,988	2,996
2013	3,985	31,506	7,970
2014	—	73,635	—

Other Information

The following table summarizes the share-based compensation expense that we recorded for continuing operations in 2014, 2013 and 2012:

	(In Millions, except per share amounts)		
	2014	2013	2012
Cost of goods sold and operating expenses	**$ 7.8**	$ 6.3	$ 4.0
Selling, general and administrative expenses	**15.9**	14.8	16.6
Reduction of operating income from continuing operations before income taxes and equity income (loss) from ventures	**23.7**	21.1	20.6
Income tax benefit	**(8.3)**	(7.4)	(7.2)
Reduction of net income attributable to Cliffs shareholders	**$ 15.4**	$ 13.7	$ 13.4
Reduction of earnings per share attributable to Cliffs shareholders:			
Basic	**$ 0.10**	$ 0.09	$ 0.09
Diluted	**$ 0.10**	$ 0.08	$ 0.09

Determination of Fair Value

The fair value of each grant is estimated on the date of grant using a Monte Carlo simulation to forecast relative TSR performance. A correlation matrix of historic and projected stock prices was developed for both the Company and our predetermined peer group of mining and metals companies. The fair value assumes that performance goals will be achieved.

The expected term of the grant represents the time from the grant date to the end of the service period for each of the three plan-year agreements. We estimate the volatility of our common shares and that of the peer group of mining and metals companies using daily price intervals for all companies. The risk-free interest rate is the rate at the grant date on zero-coupon government bonds, with a term commensurate with the remaining life of the performance period.

The following assumptions were utilized to estimate the fair value for the 2014 performance share grants:

Grant Date	Grant Date Market Price	Average Expected Term (Years)	Expected Volatility	Risk-Free Interest Rate	Dividend Yield	Fair Value	Fair Value (Percent of Grant Date Market Price)
February 10, 2014	$ 20.58	2.89	54.0%	0.54%	2.92%	$ 22.21	107.92%
May 12, 2014	$ 17.54	2.61	54.0%	0.54%	2.92%	$ 18.93	107.92%
July 29, 2014	$ 17.62	2.42	51.3%	0.83%	3.40%	$ 19.02	107.92%
November 17, 2014	$ 10.85	3.12	52.9%	1.18%	4.30%	$ 10.61	97.79%

The fair value of the restricted share units is determined based on the closing price of our common shares on the grant date. The restricted share units granted under either the 2012 Equity Plan or the 2012 Amended Equity Plan generally vest over a period of three years.

Restricted share units, restricted stock awards, deferred stock allocation and performance share activity under our long-term equity plans and Directors' Plans are as follows:

	2014	2013	2012
	Shares	Shares	Shares
Stock options:			
Outstanding at beginning of year	**—**	—	—
Granted during the year	**250,000**	—	—
Vested	**—**	—	—
Forfeited/canceled	**—**	—	—
Outstanding at end of year	**250,000**	—	—
Restricted awards:			
Outstanding and restricted at beginning of year	**586,084**	393,787	425,166
Granted during the year	**531,030**	396,844	151,869
Vested	**(423,822)**	(118,973)	(161,741)
Forfeited/canceled	**(170,116)**	(85,574)	(21,507)
Outstanding and restricted at end of year	**523,176**	586,084	393,787
Performance shares:			
Outstanding at beginning of year	**1,040,453**	772,484	877,435
Granted during the year [1]	**1,233,685**	806,271	501,346
Issued [2]	**(796,624)**	(289,054)	(574,518)
Forfeited/canceled	**(405,138)**	(249,248)	(31,779)
Outstanding at end of year	**1,072,376**	1,040,453	772,484
Vested or expected to vest as of December 31, 2014	**1,723,728**		
Directors' retainer and voluntary shares:			
Outstanding at beginning of year	**7,329**	2,880	2,611
Granted during the year	**2,281**	8,136	1,823
Forfeited/canceled	**—**	(1,521)	—
Vested	**(9,610)**	(2,166)	(1,554)
Outstanding at end of year	**—**	7,329	2,880
Reserved for future grants or awards at end of year:			
Employee plans	**6,222,434**		
Directors' plans	**225,955**		
Total	**6,448,389**		

1 The shares granted in 2013 and 2012 include 54,051 shares and 191,506 shares, respectively, related to the 23% and 50% payouts associated with the prior-year pool as actual payout exceeded target.

2 For the year ended December 31, 2014, the shares vesting on December 31, 2013 were valued as of February 10, 2014, and the shares vesting due to the change in a majority of our Board of Directors that triggered the acceleration of vesting and payout of outstanding equity grants under our equity plans on August 6, 2014, were valued as of that date.
For the years ended December 31, 2013 and December 31, 2012, the shares vested on December 31, 2012 and December 31, 2011, respectively, and were valued on February 21, 2013 and February 13, 2012, respectively.

A summary of our outstanding share-based awards as of December 31, 2014 is shown below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of year	1,633,866	$40.20
Granted	2,016,996	$16.67
Vested	(1,230,056)	$38.48
Forfeited/expired	(575,254)	$24.76
Outstanding, end of year	1,845,552	$16.55

The total compensation cost related to outstanding awards not yet recognized is $18.3 million at December 31, 2014. The weighted average remaining period for the awards outstanding at December 31, 2014 is approximately 2.5 years.

NOTE 9 - INCOME TAXES

Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures includes the following components:

	(In Millions)		
	2014	2013	2012
United States	**$ (1,884.2)**	$ 837.7	$ 838.6
Foreign	**(7,719.5)**	(348.4)	(1,340.4)
	$ (9,603.7)	$ 489.3	$ (501.8)

The components of the provision (benefit) for income taxes on continuing operations consist of the following:

	(In Millions)		
	2014	2013	2012
Current provision (benefit):			
United States federal	**$ (159.9)**	$ 101.3	$ 71.1
United States state & local	**(0.6)**	4.0	7.6
Foreign	**17.2**	87.9	50.2
	(143.3)	193.2	128.9
Deferred provision (benefit):			
United States federal	**(258.9)**	23.3	221.2
United States state & local	**(43.0)**	3.0	1.4
Foreign	**(856.8)**	(164.4)	(95.6)
	(1,158.7)	(138.1)	127.0
Total provision on income (loss) from continuing operations	**$ (1,302.0)**	$ 55.1	$ 255.9

Reconciliation of our income tax attributable to continuing operations computed at the U.S. federal statutory rate is as follows:

	(In Millions)					
	2014		2013		2012	
Tax at U.S. statutory rate of 35 percent	**$(3,361.3)**	**35.0 %**	$ 171.3	35.0 %	$ (175.6)	35.0 %
Increase (decrease) due to:						
Foreign exchange remeasurement	**(4.1)**	**—**	(2.6)	(0.5)	62.3	(12.4)
Non-taxable income related to noncontrolling interests	**290.1**	**(3.0)**	(1.5)	(0.3)	61.0	(12.0)
Impact of tax law change	**13.0**	**(0.1)**	—	—	(357.1)	71.2
Percentage depletion in excess of cost depletion	**(87.9)**	**0.9**	(97.6)	(19.9)	(109.1)	21.7
Impact of foreign operations	**592.0**	**(6.2)**	(10.2)	(2.1)	65.2	(13.0)
Income not subject to tax	**(46.5)**	**0.5**	(106.6)	(21.8)	(108.0)	21.5
Goodwill impairment	**22.7**	**(0.2)**	20.5	4.2	202.2	(40.3)
State taxes, net	**(43.6)**	**0.5**	5.6	1.1	7.3	(1.5)
Settlement of financial guaranty	**(343.3)**	**3.6**	—	—	—	—
Manufacturer's deduction	**—**	**—**	(7.9)	(1.6)	(4.7)	0.9
Valuation allowance	**1,660.6**	**(17.3)**	73.0	14.9	634.5	(126.5)
Tax uncertainties	**0.2**	**—**	19.6	5.3	(14.8)	2.9
Prior year adjustment in current year	**(10.4)**	**0.1**	(11.4)	(3.6)	(5.7)	1.1
Other items — net	**16.5**	**(0.2)**	2.9	0.6	(1.6)	0.4
Income tax (benefit) expense	**$(1,302.0)**	**13.6 %**	$ 55.1	11.3 %	$ 255.9	(51.0)%

The components of income taxes for other than continuing operations consisted of the following:

	(In Millions)		
	2014	2013	2012
Other comprehensive (income) loss:			
Pension/OPEB liability	**$ 39.8**	$ 100.0	$ 13.8
Mark-to-market adjustments	**3.6**	2.0	1.7
Other	**(1.1)**	(12.4)	2.6
Total	**$ 42.3**	$ 89.6	$ 18.1
Paid in capital — acquisition of noncontrolling interest	**$ —**	$ 102.1	$ —
Paid in capital — stock based compensation	**$ (4.8)**	$ 3.5	$ (12.8)
Discontinued Operations	**$ —**	$ (2.0)	$ 10.4

Significant components of our deferred tax assets and liabilities as of December 31, 2014 and 2013 are as follows:

	(In Millions)	
	2014	2013
Deferred tax assets:		
Pensions	**$ 108.3**	$ 88.4
MRRT starting base allowance	**—**	300.3
Postretirement benefits other than pensions	**63.0**	58.0
Alternative minimum tax credit carryforwards	**267.7**	299.2
Investments in ventures	**6.0**	—
Asset retirement obligations	**48.9**	61.7
Operating loss carryforwards	**1,083.5**	524.4
Product inventories	**32.3**	16.4
Property, plant and equipment and mineral rights	**901.6**	56.0
State and local	**41.9**	—
Lease liabilities	**14.1**	31.9
Other liabilities	**153.6**	138.3
Total deferred tax assets before valuation allowance	**2,720.9**	1,574.6
Deferred tax asset valuation allowance	**(2,224.5)**	(864.1)
Net deferred tax assets	**496.4**	710.5
Deferred tax liabilities:		
Property, plant and equipment and mineral rights	**(20.0)**	(1,400.8)
Investment in ventures	**(198.0)**	(196.4)
Intangible assets	**(7.3)**	(33.5)
Income tax uncertainties	**(49.5)**	(48.5)
Product inventories	**(16.6)**	(12.8)
Other assets	**(80.2)**	(93.0)
Total deferred tax liabilities	**(371.6)**	(1,785.0)
Net deferred tax assets (liabilities)	**$ 124.8**	$ (1,074.5)

The deferred tax amounts are classified in the Statements of Consolidated Financial Position as current or long-term consistently with the underlying asset or liability that generates the basis difference between financial reporting and tax. Following is a summary:

	(In Millions)	
	2014	2013
Deferred tax assets:		
United States	**$ 165.9**	$ 7.2
Foreign		
Current	**2.2**	29.4
Long-term	**12.0**	41.5
Total deferred tax assets	**180.1**	78.1
Deferred tax liabilities:		
United States	**—**	175.3
Foreign		
Current	**4.0**	6.1
Long-term	**51.3**	971.2
Total deferred tax liabilities	**55.3**	1,152.6
Net deferred tax assets (liabilities)	**$ 124.8**	$ (1,074.5)

At December 31, 2014 and 2013, we had $267.7 million and $299.2 million, respectively, of gross deferred tax assets related to U.S. alternative minimum tax credits that can be carried forward indefinitely.

We had gross domestic (including states) and foreign net operating loss carryforwards of $1.9 billion, and $6.0 billion, respectively, at December 31, 2014. We had gross state and foreign net operating loss carryforwards at December 31, 2013 of $157.9 million and $3.5 billion, respectively. The U.S. Federal net operating losses will begin to expire in 2035 and state net operating losses will begin to expire in 2019. The foreign net operating losses will begin to expire in 2015. We had foreign tax credit carryforwards of $5.8 million at December 31, 2014 and December 31, 2013. The foreign tax credit carryforwards will begin to expire in 2020. Additionally, there is a net operating loss carryforward of $540.7 million for Alternative Minimum Tax. No benefit has been recorded in the financials for this attribute as ASC 740 does not allow for the recording of deferred taxes under alternative taxing systems. However, the future economic realizable benefit for this attribute is expected to be approximately $108.1 million.

We recorded a $1,361.0 million net increase in the valuation allowance of certain deferred tax assets where management believes that realization of the related deferred tax assets is not more likely than not. Of this amount, a $18.2 million increase relates to ordinary losses of certain state operations for which future utilization is currently uncertain, a $291.0 million decrease relates to the reversal of our valuation allowance on MRRT tax credits due to the repeal of the MRRT legislation, and a $28.6 million decrease relates to the change in available Alternative Minimum Tax credits after carryback of current year losses. A $1,273.2 million increase relates to foreign deferred tax assets that management has determined it is more likely than not that the assets will not be realized. A $402.5 million increase relates to U.S. regular tax net operating losses where it has been determined that the full benefit of these losses will not be realized as we are perpetual Alternative Minimum taxpayers.

At December 31, 2014, we had no cumulative undistributed earnings of foreign subsidiaries included in consolidated retained earnings. At December 31, 2013, cumulative undistributed earnings of foreign subsidiaries included in consolidated retained earnings amounted to $1.2 billion. The change in undistributed earnings resulted from transactions executed during 2014 which triggered the realization of losses with respect to the value in our investment in Cliffs Quebec Iron Mines. Accordingly, no provision has been made for U.S. deferred taxes related to future repatriation of earnings.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(In Millions)		
	2014	2013	2012
Unrecognized tax benefits balance as of January 1	**$ 74.4**	$ 55.5	$ 102.1
Increases for tax positions in prior years	**3.4**	13.6	2.7
Increases for tax positions in current year	**2.5**	5.3	11.1
Increase due to foreign exchange	**(0.2)**	—	—
Settlements	**(0.5)**	—	(60.4)
Lapses in statutes of limitations	**(3.7)**	—	—
Other	**(1.2)**	—	—
Unrecognized tax benefits balance as of December 31	**$ 74.7**	$ 74.4	$ 55.5

At December 31, 2014 and 2013, we had $74.7 million and $74.4 million, respectively, of unrecognized tax benefits recorded. Of this amount, $25.2 million and $25.9 million were recorded in *Other liabilities* and $49.5 million and $48.5 million were recorded as *Other non-current assets* in the Statements of Consolidated Financial Position for both years. If the $74.7 million were recognized, the full amount would impact the effective tax rate. We do not expect that the amount of unrecognized tax benefits will change significantly within the next twelve months. At December 31, 2014 and 2013, we had $2.1 million and $1.2 million, respectively, of accrued interest and penalties related to the unrecognized tax benefits recorded in *Other liabilities* in the Statements of Consolidated Financial Position.

On July 18, 2013, the FASB issued Accounting Standards Update No. 2013-11. *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* (ASU 2013-11). ASU 2013-11 requires the netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax positions except where the deferred tax asset or other carryforward are not available for use. The adoption of the pronouncement does not have an impact in the presentation of our financial statement.

Tax years that remain subject to examination are years 2010 and forward for the U.S., 2006 and forward for Canada, and 2007 and forward for Australia.

NOTE 10 - LEASE OBLIGATIONS

We lease certain mining, production and other equipment under operating and capital leases. The leases are for varying lengths, generally at market interest rates and contain purchase and/or renewal options at the end of the terms. Our operating lease expense was $20.6 million, $29.5 million and $25.8 million for the years ended December 31, 2014, 2013 and 2012, respectively. Capital lease assets were $92.7 million and $404.0 million at December 31, 2014 and 2013, respectively. The value of the capital lease assets in 2014 have decreased due to several factors including impairment charges of $140.4 million on our Asia Pacific Iron Ore, North American Coal and Eastern Canadian Iron Ore operations. Other factors involved are the announced exiting out of Eastern Canadian Iron Ore, additions/deletions of assets, depreciation, etc. Corresponding accumulated amortization of capital leases included in respective allowances for depreciation were $18.1 million and $198.5 million at December 31, 2014 and 2013, respectively.

Future minimum payments under capital leases and non-cancellable operating leases at December 31, 2014 are as follows:

	(In Millions)		
	Capital Leases	Operating Leases	
2015	$ 84.8	$ 12.0	
2016	34.1	9.3	
2017	26.9	8.4	
2018	20.4	6.8	
2019	11.4	4.8	
2020 and thereafter	21.0	9.9	
Total minimum lease payments	$ 198.6	$ 51.2	
Amounts representing interest	31.3		
Present value of net minimum lease payments	$ 167.3 (1)		

(1) The total is comprised of $74.5 million and $92.8 million classified as *Current portion of capital leases* and *Other liabilities*, respectively, in the Statements of Unaudited Condensed Consolidated Financial Position at December 31, 2014.

NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS

We had environmental and mine closure liabilities of $261.2 million and $321.0 million at December 31, 2014 and 2013, respectively. Payments in 2014 and 2013 were $3.1 million and $8.2 million, respectively. The following is a summary of the obligations as of December 31, 2014 and 2013:

	(In Millions)	
	December 31,	
	2014	2013
Environmental	**$ 5.5**	$ 8.4
Mine closure		
LTVSMC	**22.9**	22.0
Operating mines:		
U.S. Iron Ore	**120.9**	152.2
Asia Pacific Iron Ore	**21.5**	25.5
North American Coal	**33.9**	34.7
Eastern Canadian Iron Ore	**56.5**	78.2
Total mine closure	**255.7**	312.6
Total environmental and mine closure obligations	**261.2**	321.0
Less current portion	**5.2**	11.3
Long-term environmental and mine closure obligations	**$ 256.0**	$ 309.7

Environmental

Our mining and exploration activities are subject to various laws and regulations governing the protection of the environment. We conduct our operations to protect the public health and environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities of $5.5 million and $8.4 million at December 31, 2014 and 2013, respectively, including obligations for known environmental remediation exposures at various active and closed mining operations and other sites, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost only can be estimated as a range of possible amounts with no specific amount being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements readily are known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed.

As discussed in further detail below, the environmental liability recorded at December 31, 2014 and 2013 primarily is comprised of remediation obligations related to the Rio Tinto mine site in Nevada where we are named as a potentially responsible party.

The Rio Tinto Mine Site

The Rio Tinto Mine Site is a historic underground copper mine located near Mountain City, Nevada, where tailings were placed in Mill Creek; a tributary to the Owyhee River. Site investigation and remediation work is being conducted in accordance with a Consent Order dated September 14, 2001 between the NDEP and the Rio Tinto Working Group composed of the Company, Atlantic Richfield Company, Teck Cominco American Incorporated and E. I. duPont de Nemours and Company. The Consent Order provides for technical review by the U.S. Department of the Interior Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, U.S. Department of Agriculture Forest Service, the NDEP and the Shoshone-Paiute Tribe of the Duck Valley Reservation (collectively, "Rio Tinto Trustees"). In recognition of the potential for an NRD claim, the parties actively pursued a global settlement that would include the EPA and encompass both the remedial action and the NRD issues.

The NDEP published a Record of Decision for the Rio Tinto Mine, which was signed on February 14, 2012 by the NDEP and the EPA. On September 27, 2012, the agencies subsequently issued a proposed Consent Decree, which was lodged with the U.S. District Court for the District of Nevada and opened for 30-day public comment on October 4, 2012. The Consent Decree was subsequently finalized on May 20, 2013. Under the terms of the Consent Decree, the Rio Tinto Working Group has agreed to pay over $29.0 million in cleanup costs and natural resource damages to the site and surrounding area. The Company's share of the total settlement cost, which includes remedial action, insurance and other oversight costs is $12.2 million, of which we have a remaining environmental liability of $2.5 million and $5.3

million in the Statements of Consolidated Financial Position as of December 31, 2014 and 2013, respectively, related to this issue.

Under the terms of the Consent Decree, the Rio Tinto Working Group will be responsible for removing mine tailings from Mill Creek, improving the creek to support redband trout and improving water quality in Mill Creek and the East Fork Owyhee River. Previous cleanup projects included filling in old mine shafts, grading and covering leach pads and tailings, and building diversion ditches. NDEP will oversee the cleanup, with input from EPA and monitoring from the nearby Shoshone-Paiute Tribes of Duck Valley.

Mine Closure

Our mine closure obligations of $255.7 million and $312.6 million at December 31, 2014 and 2013, respectively, include our five consolidated U.S. operating iron ore mines, our Asia Pacific operating iron ore mine, our two operating North American coal mines, our two Eastern Canadian iron ore mines and a closed operation formerly operating as LTVSMC. Additionally, included in the December 31, 2013 mine closure obligation are the mine closure obligations related to the three mines at our CLCC operations. The CLCC assets were sold during the fourth quarter of 2014. As disclosed, at the end of March 2014, we idled our Wabush Scully mine in Newfoundland and Labrador and in the fourth quarter we began to implement the permanent closure plan for the mine. Additionally, we disclosed in November 2014 that we were pursuing exit options for our Bloom Lake mine and as disclosed in January 2015, active production at Bloom Lake mine has completely ceased and the mine has transitioned to "care-and-maintenance" mode.

Management periodically performs an assessment of the obligation to determine the adequacy of the liability in relation to the closure activities still required at the LTVSMC site. The LTVSMC closure liability was $22.9 million and $22.0 million at December 31, 2014 and 2013, respectively. MPCA is presently working on an NPDES permit reissuance for this facility that could modify the closure liability, but the scale of that change will not be understood until the permit has been drafted and issued.

The accrued closure obligation for our active mining operations provides for contractual and legal obligations associated with the eventual closure of the mining operations. We performed a detailed assessment of our asset retirement obligations related to our active mining locations most recently in 2014, except for Bloom Lake, in accordance with our accounting policy, which requires us to perform an in-depth evaluation of the liability every three years in addition to routine annual assessments. The most recent assessment for Bloom Lake was performed in 2012.

For the assessments performed, we determined the obligations based on detailed estimates adjusted for factors that a market participant would consider (i.e., inflation, overhead and profit) and then discounted the obligation using the current credit-adjusted risk-free interest rate based on the corresponding life of mine. The estimate also incorporates incremental increases in the closure cost estimates and changes in estimates of mine lives. The closure date for each location was determined based on the exhaustion date of the remaining iron ore reserves. The accretion of the liability and amortization of the related asset is recognized over the estimated mine lives for each location.

The following represents a roll forward of our asset retirement obligation liability related to our active mining locations for the years ended December 31, 2014 and 2013:

	(In Millions)	
	December 31,	
	2014	2013
Asset retirement obligation at beginning of period	**$ 290.6**	$ 231.1
Accretion expense	**14.5**	18.1
Exchange rate changes	**(2.4)**	(3.4)
Revision in estimated cash flows	**(65.2)**	44.8
Disposal of CLCC Assets	**(4.7)**	$ —
Asset retirement obligation at end of period	**$ 232.8**	$ 290.6

The revisions in estimated cash flows recorded during the year ended December 31, 2014 relate primarily to a downward revision of estimated asset retirement costs for one of our U.S. Iron Ore mines associated with required storm water management systems. The mine life was extended during 2014, effectively converting certain asset retirement costs to capital costs over the remaining life-of-mine. The reduction in estimated cash flows was also attributable to the mine life for one of the Eastern Canadian Iron Ore mines being shortened by seven years along with a decrease in the inflation rate causing additional downward revisions in estimated cash flows recorded during the year ended December 31, 2014.

For the year ended December 31, 2013, the revisions in estimated cash flows recorded during the year primarily included estimated asset retirement costs for one of our U.S. Iron Ore mines associated with required storm water management systems expected to be implemented subsequent to the closure of the mine, as described above.

NOTE 12 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES

Goodwill

Goodwill represents the excess purchase price paid over the fair value of the net assets of acquired companies and is not subject to amortization. We assign goodwill arising from acquired companies to the reporting units that are expected to benefit from the synergies of the acquisition. Our reporting units are either at the operating segment level or a component one level below our operating segments that constitutes a business for which management generally reviews production and financial results of that component. Decisions often are made as to capital expenditures, investments and production plans at the component level as part of the ongoing management of the related operating segment. We have determined that our Asia Pacific Iron Ore and Ferroalloys operating segments constitute separate reporting units, that CQIM and Wabush within our Eastern Canadian Iron Ore operating segment constitute reporting units and that Northshore within our U.S. Iron Ore operating segment constitutes a reporting unit. Goodwill is allocated among and evaluated for impairment at the reporting unit level in the fourth quarter of each year or as circumstances occur that potentially indicate that the carrying amount of these assets may exceed their fair value.

During the third quarter of 2014, a goodwill impairment charge of $73.5 million was recorded for our Asia Pacific Iron Ore reporting segment. The impairment charge was a result of downward long-term pricing estimates as determined through management's long-range planning process.

During the fourth quarter of 2013, upon performing our annual goodwill impairment test, a goodwill impairment charge of $80.9 million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. The impairment charge was primarily a result of the decision made in the fourth quarter of 2013 to indefinitely suspend the Chromite Project and to not allocate additional capital for the project given the uncertain timeline and risks associated with the development of necessary infrastructure to bring the project online.

Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information.

The following table summarizes changes in the carrying amount of goodwill allocated by operating segment for the years ended December 31, 2014 and December 31, 2013:

	(In Millions)									
	December 31, 2014					December 31, 2013				
	U.S. Iron Ore	**Eastern Canadian Iron Ore**	**Asia Pacific Iron Ore**	**Other**	**Total**	U.S. Iron Ore	Eastern Canadian Iron Ore	Asia Pacific Iron Ore	Other	Total
Beginning Balance	**$ 2.0**	**$ —**	**$ 72.5**	**$ —**	**$ 74.5**	$ 2.0	$ —	$ 84.5	$ 80.9	$ 167.4
Arising in business combinations	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Impairment	**—**	**—**	**(73.5)**	**—**	**(73.5)**	—	—	—	(80.9)	(80.9)
Impact of foreign currency translation	**—**	**—**	**1.0**	**—**	**1.0**	—	—	(12.0)	—	(12.0)
Ending Balance	**$ 2.0**	**$ —**	**$ —**	**$ —**	**$ 2.0**	$ 2.0	$ —	$ 72.5	$ —	$ 74.5
Accumulated Goodwill Impairment Loss	**$ —**	**$ (1,000.0)**	**$ (73.5)**	**$ (80.9)**	**$ (1,154.4)**	$ —	$ (1,000.0)	$ —	$ (80.9)	$ (1,080.9)

Other Intangible Assets and Liabilities

Following is a summary of intangible assets and liabilities as of December 31, 2014 and December 31, 2013:

		(In Millions)					
		December 31, 2014			December 31, 2013		
	Classification	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:							
Permits	*Other non-current assets*	**$ 79.2**	**$ (16.5)**	**$ 62.7**	$ 127.4	$ (35.9)	$ 91.5
Utility contracts	*Other non-current assets*	**—**	**—**	**—**	54.7	(53.1)	1.6
Leases	*Other non-current assets*	**—**	**—**	**—**	2.4	(0.1)	2.3
Total intangible assets		**$ 79.2**	**$ (16.5)**	**$ 62.7**	$ 184.5	$ (89.1)	$ 95.4
Below-market sales contracts	*Other current liabilities*	**$ (23.0)**	**$ —**	**$ (23.0)**	$ (23.0)	$ —	$ (23.0)
Below-market sales contracts	*Other liabilities*	**(205.9)**	**182.8**	**(23.1)**	(205.9)	159.7	(46.2)
Total below-market sales contracts		**$ (228.9)**	**$ 182.8**	**$ (46.1)**	$ (228.9)	$ 159.7	$ (69.2)

Amortization expense relating to intangible assets was $10.4 million, $19.9 million and $22.5 million for the years ended December 31, 2014, 2013 and 2012, and is recognized in *Cost of goods sold and operating expenses* in the Statements of Consolidated Operations. During the year ended December 31, 2014, an impairment charge of $15.5 million was recorded related to the permits intangible asset and is recognized in *Impairment of goodwill and other long-lived assets* in the Statements of Consolidated Operations. Additionally, during 2013, an impairment charge of $9.5 million was recorded related to the utility contracts intangible asset and was recognized in *Impairment of goodwill and other long-lived assets*. There was no impairment charge recorded for definite-lived intangible assets in 2012. The estimated amortization expense relating to intangible assets for each of the five succeeding years is as follows:

	(In Millions)
	Amount
Year Ending December 31	
2015	4.1
2016	4.2
2017	4.0
2018	3.8
2019	3.5
Total	$ 19.6

The below-market sales contract is classified as a liability and recognized over the term of the underlying contract, which has a remaining life of approximately two years and expires December 31, 2016. For the years ended December 31, 2014, 2013 and 2012, we recognized $23.1 million, $45.9 million and $46.3 million, respectively, in *Product revenues* related to below-market sales contracts. The following amounts are estimated to be recognized in *Product revenues* for each of the two succeeding fiscal years:

	(In Millions)
	Amount
Year Ending December 31	
2015	23.0
2016	23.1
Total	$ 46.1

NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The following table presents the fair value of our derivative instruments and the classification of each in the Statements of Consolidated Financial Position as of December 31, 2014 and December 31, 2013:

	(In Millions)							
	Derivative Assets				Derivative Liabilities			
	December 31, 2014		December 31, 2013		**December 31, 2014**		December 31, 2013	
Derivative Instrument	**Balance Sheet Location**	**Fair Value**	Balance Sheet Location	Fair Value	**Balance Sheet Location**	**Fair Value**	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under ASC 815:								
Interest-Rate Swaps		**$ —**		$ —	*Other current liabilities*	**$ —**		$ 2.1
Foreign Exchange Contracts	*Other current assets*	**—**	*Other current assets*	0.3	*Other current liabilities*	**21.6**	*Other current liabilities*	25.8
Total derivatives designated as hedging instruments under ASC 815		**$ —**		$ 0.3		**$ 21.6**		$ 27.9
Derivatives not designated as hedging instruments under ASC 815:								
Foreign Exchange Contracts		**$ —**		$ —	Other current liabilities	**$ 9.9**	Other current liabilities	$ 1.1
Customer Supply Agreements	*Other current assets*	**63.2**	*Other current assets*	55.8		**—**		—
Provisional Pricing Arrangements	*Other current assets*	**—**	*Other current assets*	3.1	*Other current liabilities*	**11.8**	*Other current liabilities*	10.3
Total derivatives not designated as hedging instruments under ASC 815:		**$ 63.2**		$ 58.9		**$ 21.7**		$ 11.4
Total derivatives		**$ 63.2**		$ 59.2		**$ 43.3**		$ 39.3

Derivatives Designated as Hedging Instruments

Cash Flow Hedges

Australian and Canadian Dollar Foreign Exchange Contracts

We are subject to changes in foreign currency exchange rates as a result of our operations in Australia and Canada. With respect to Australia, foreign exchange risk arises from our exposure to fluctuations in foreign currency exchange rates because the functional currency of our Asia Pacific operations is the Australian dollar. Our Asia Pacific operations receive funds in U.S. currency for their iron ore sales. The functional currency of our Canadian operations is the U.S. dollar; however, the production costs for these operations primarily are incurred in the Canadian dollar.

We use foreign currency exchange contracts to hedge our foreign currency exposure for a portion of our U.S. dollar sales receipts in our Australian functional currency entities and our entities with Canadian dollar operating costs. For our Australian operations, U.S. dollars are converted to Australian dollars at the currency exchange rate in effect during the period the transaction occurred. For our Canadian operations, U.S. dollars are converted to Canadian dollars at the exchange rate in effect for the period the operating costs are incurred. The primary objective for the use of these instruments is to reduce exposure to changes in currency exchange rates and to protect against undue adverse movement in these exchange rates. If the instruments qualify for hedge accounting treatment, they are tested for effectiveness at inception and at least once each reporting period. If and when any of our contracts that had qualified for hedge accounting treatment are determined not to be highly effective as hedges, the underlying hedged transaction is no longer likely to occur, or the derivative is terminated, hedge accounting is discontinued.

As of December 31, 2014, we had outstanding Australian foreign currency exchange contracts with notional amounts of $220.0 million in the form of forward contracts with varying maturity dates ranging from January 2015 to October 2015. We had no Canadian foreign currency exchange contracts that were considered cash flow hedges and that qualified for hedge accounting treatment at December 31, 2014, as during the fourth quarter of 2014 the Canadian foreign currency exchange contracts were de-designated. The de-designation of the Canadian hedge contracts is discussed below. This compares with outstanding Australian and Canadian foreign currency exchange contracts with a notional amount of $323.0 million and $285.9 million, respectively, as of December 31, 2013.

Changes in fair value of highly effective hedges are recorded as a component of *Accumulated other comprehensive loss* in the Statements of Consolidated Financial Position. Any ineffectiveness is recognized immediately in income. As of December 31, 2014 and 2013, there was no material ineffectiveness recorded for foreign exchange contracts that were classified as cash flow hedges. However, Canadian hedge contracts related to the Bloom Lake operations were deemed ineffective during the fourth quarter of 2014 and no longer qualified for hedge accounting treatment. The Canadian hedge contracts de-designated in the fourth quarter of 2014 were all that remained of the Canadian hedge contracts. Canadian hedge contracts associated with the Wabush and Ferroalloys operations were deemed ineffective during the fourth quarter of 2013 and no longer qualified for hedge accounting treatment. All of the hedges designated in the fourth quarter of 2013 settled and were no longer outstanding by June 30, 2014. The de-designated hedges are discussed within the *Derivatives Not Designated as Hedging Instruments* section of this footnote. Amounts recorded as a component of *Accumulated other comprehensive loss* are reclassified into earnings in the same period the forecasted transactions affect earnings. Of the amounts remaining in *Accumulated other comprehensive loss* related to Australian hedge contracts, we estimate that losses of $15.1 million (net of tax), respectively, will be reclassified into earnings within the next 12 months. No amounts remain in *Accumulated other comprehensive loss* related to Canadian hedge contracts.

Interest Rate Risk Management

Interest rate risk is managed using a portfolio of variable-rate and fixed-rate debt composed of short-term and long-term instruments, such as U.S. treasury lock agreements and variable-to-fixed interest rate swaps. From time to time, these instruments, which are derivative instruments, are entered into to facilitate the maintenance of the desired ratio of variable-rate to fixed-rate debt.

In the second quarter of 2012, we entered into U.S. treasury lock agreements with a notional value of $200.0 million to hedge the exposure to the possible rise in the interest rate prior to the issuance of the five-year senior notes due 2018 discussed in NOTE 5 - DEBT AND CREDIT FACILITIES. These derivative instruments were designated and qualified as cash flow hedges. The U.S. treasury locks were settled in the fourth quarter of 2012 upon the issuance of $500.0 million principal amount of the senior notes due 2018 for a cumulative after-tax loss of $1.3 million, which was recorded in *Accumulated other comprehensive loss* and is being amortized to *Other non-operating income (expense)* over the life of the senior notes due 2018. Approximately $0.1 million net of tax was recognized in earnings in both 2013 and 2014 and approximately $0.1 million net of tax is expected to be recognized in earnings in 2015.

The following summarizes the effect of our derivatives designated as cash flow hedging instruments, net of tax in *Accumulated other comprehensive loss* in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012:

Derivatives in Cash Flow Hedging Relationships	**Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)** Year Ended December 31,			**Location of Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)**	**Amount of Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)** Year Ended December 31,		
(In Millions)	**2014**	2013	2012		**2014**	2013	2012
Australian Dollar Foreign Exchange Contracts *(hedge designation)*	**$ (13.9)**	$ (34.7)	$ 20.2	*Product revenues*	**$ (13.2)**	$ (11.9)	$ 14.8
Canadian Dollar Foreign Exchange Contracts *(hedge designation)*	**—**	(12.9)	6.7	*Cost of goods sold and operating expenses*	**—**	(8.2)	3.3
Canadian Dollar Foreign Exchange Contracts *(prior to de-designation)*	**(14.3)**	(4.1)	—	*Cost of goods sold and operating expenses*	**(17.7)**	(1.9)	—
Treasury Locks	**—**	—	(1.3)	*Other non-operating income (expense)*	**(0.1)**	(0.1)	—
Total	**$ (28.2)**	$ (51.7)	$ 25.6		**$ (31.0)**	$ (22.1)	$ 18.1

Derivatives Not Designated as Hedging Instruments

Foreign Exchange Contracts

During the fourth quarter of 2014, we discontinued hedge accounting for Canadian foreign currency exchange contracts for all outstanding contracts associated with Bloom Lake operations as projected future cash flows were no longer considered probable or reasonably possible, but we continued to hold these instruments as economic hedges to manage currency risk. Subsequent to de-designation, no further foreign currency exchange contracts were entered into for the Bloom Lake operations. As of December 31, 2014,the de-designated outstanding foreign exchange rate contracts had a notional amount of $183.0 million in the form of forward contracts with varying maturity dates ranging from January 2015 to September 2015.

The amounts that were previously recorded as a component of *Accumulated other comprehensive loss* prior to de-designation and remaining in *Accumulated other comprehensive loss* as of December 31, 2014 were reclassified to earnings upon the de-designation of the hedges as the hedges would not be effective prospectively due to the projected future cash flows associated with the hedges no longer being considered probable or reasonably possible. We reclassified losses of $7.3 million from *Accumulated other comprehensive loss* related to contracts that had not matured during the year, and recorded the amounts as *Cost of goods sold and operating expenses* on the Statements of Consolidated Operations. A corresponding realized gain or loss will be recognized in each period until settlement of the related economic hedge in 2015. Additionally, for the year ended December 31, 2014, prior to the de-designation of the Bloom Lake hedges, we reclassified losses of $9.9 million from *Accumulated other comprehensive loss* related to contracts that matured during the year, and recorded the amounts as *Cost of goods sold and operating expenses* on the Statements of Consolidated Operations. As of December 31, 2014, no gains or losses remain in *Accumulated other comprehensive loss* related to the Bloom Lake effective cash flow hedge contracts prior to de-designation.

During the fourth quarter of 2013, we discontinued hedge accounting for Canadian foreign currency exchange contracts for all outstanding contracts associated with Wabush and Ferroalloys operations as projected future cash flows were no longer considered probable, but we continued to hold these instruments as economic hedges to manage currency risk. Subsequent to de-designation, no further foreign currency exchange contracts were entered into for the Wabush operation or the Ferroalloys operations. As of December 31, 2014, there were no outstanding de-designated foreign currency exchange rate contracts associated with the Wabush and Ferroalloys operations as all remaining de-designated foreign exchange contracts matured during the second quarter of 2014. This compares with outstanding de-designated foreign currency exchange contracts with a notional amount of $74.8 million as of December 31, 2013.

As a result of discontinued hedge accounting, the Wabush and Ferroalloys instruments were prospectively marked to fair value each reporting period through *Cost of goods sold and operating expenses* on the Statements of Consolidated Operations. For the years ended December 31, 2014, and 2013, the change in fair value of our de-designated foreign currency exchange contracts resulted in net losses of $3.3 million and $0.6 million, respectively. The amounts that were previously recorded as a component of *Accumulated other comprehensive loss* prior to de-designation were reclassified to earnings and a corresponding realized gain or loss was recognized when the forecasted cash flow occurred. For the years ended December 31, 2014, and 2013, we reclassified losses of $0.5 million and $1.9 million, respectively from *Accumulated other comprehensive loss* related to contracts that matured during the year, and recorded the amounts as *Cost of goods sold and operating expenses* on the Statements of Consolidated Operations. All the remaining contracts matured during the second quarter of 2014 and as of the period ended June 30, 2014, no gains or losses remained in *Accumulated other comprehensive loss* related to the effective cash flow hedge contracts prior to de-designation.

Fair Value Hedges

Interest Rate Hedges

Our fixed-to-variable interest rate swap derivative instruments, with a notional amount of $250.0 million, were de-designated and settled during August 2014. Prior to settlement, the derivatives were designated and qualified as fair value hedges. The objective of the hedges was to offset changes in the fair value of our debt instruments associated with fluctuations in the benchmark LIBOR interest rate as part of our risk management strategy.

Prior to de-designation and settlement, when the interest rate swap derivative instruments were designated and qualified as fair-value hedges, the gain or loss on the hedge instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk were recognized in net income. We included the gain or loss on the derivative instrument and the offsetting loss or gain on the hedged item in *Other non-operating income (expense)*. The net gains recognized in *Other non-operating income (expense)* for the year ended December 31, 2014 were $0.3 million.

For the year ended December 31, 2013, the fixed-to-variable interest rate swap derivative instruments were designated and qualified as fair-value hedges. The gain or loss on the hedge instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk was recognized in net income. We included the gain or loss on the derivative instrument and the offsetting loss or gain on the hedged item in *Other non-operating income (expense)*. The net gain recognized in *Other non-operating income (expense)* for year ended December 31, 2013 was $0.1 million.

Customer Supply Agreements

Most of our U.S. Iron Ore long-term supply agreements are comprised of a base price with annual price adjustment factors. The base price is the primary component of the purchase price for each contract. The indexed price adjustment factors are integral to the iron ore supply contracts and vary based on the agreement, but typically include adjustments based upon changes in the Platts 62 percent Fe fines spot price and/or international pellet prices and changes in specified Producer Price Indices, including those for all commodities, industrial commodities, energy and steel. The pricing adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement. In most cases, these adjustment factors have not been finalized at the time our product is sold. In these cases, we historically have estimated the adjustment factors at each reporting period based upon the best third-party information available. The estimates are then adjusted to actual when the information has been finalized. The price adjustment factors have been evaluated to determine if they contain embedded derivatives. The price adjustment factors share the same economic characteristics and risks as the host contract and are integral to the host contract as inflation adjustments; accordingly, they have not been separately valued as derivative instruments.

A certain supply agreement with one U.S. Iron Ore customer provides for supplemental revenue or refunds to the customer based on the customer's average annual steel pricing at the time the product is consumed in the customer's blast furnace. The supplemental pricing is characterized as a freestanding derivative and is required to be accounted for separately once the product is shipped. The derivative instrument, which is finalized based on a future price, is adjusted to fair value as a revenue adjustment each reporting period until the pellets are consumed and the amounts are settled.

We recognized $187.8 million, $149.2 million and $171.4 million as *Product revenues* in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012, respectively, related to the supplemental payments. *Other current assets*, representing the fair value of the pricing factors, were $63.2 million and $55.8 million in the December 31, 2014 and December 31, 2013 Statements of Consolidated Financial Position, respectively.

Provisional Pricing Arrangements

Certain of our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customer supply agreements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate to be based on market inputs at a specified period in time in the future, per the terms of the supply agreements. The difference between the provisionally agreed-upon price and the estimated final revenue rate is characterized as a freestanding derivative and is required to be accounted for separately once the provisional revenue has been recognized. The derivative instrument is adjusted to fair value through *Product revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rate is determined. At December 31, 2014 we had no *Other current assets* recorded in the Statements of Consolidated Financial Position related to our estimate of the final revenue rate with any of our customers. At December 31, 2013, we recorded $3.1 million as *Other current assets* in the Statements of Consolidated Financial Position related to our estimate of final revenue rate with our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customers. At December 31, 2014 and December 31, 2013, we recorded $11.8 million and $10.3 million, respectively, as *Other current liabilities* in the Statements of Consolidated Financial Position related to our estimate of final revenue rate with our U.S. Iron Ore, Asia Pacific Iron Ore and Eastern Canadian Iron Ore customers. These amounts represent the difference between the provisional price agreed upon with our customers based on the supply agreement terms and our estimate of the final revenue rate based on the price calculations established in the supply agreements. As a result, we recognized a net $11.8 million decrease in *Product revenues* in the Statements of Consolidated Operations for the year ended December 31, 2014 related to these arrangements. This compares with a net $7.2 million decrease and a net $7.8 million decrease in *Product revenues* for the comparable periods in 2013 and 2012.

The following summarizes the effect of our derivatives that are not designated as hedging instruments in the Statements of Consolidated Operations for the years ended December 31, 2014, 2013 and 2012:

(In Millions)

Derivatives Not Designated as Hedging Instruments	**Location of Gain (Loss) Recognized in Income on Derivative**	**Amount of Gain/(Loss) Recognized in Income on Derivative**		
		Year Ended December 31,		
		2014	2013	2012
Foreign Exchange Contracts	*Cost of goods sold and operating expenses*	**$ (16.9)**	$ (0.6)	$ —
Foreign Exchange Contracts	*Other income (expense)*	**—**	—	0.3
Foreign Exchange Contracts	*Income and Gain on Sale from Discontinued Operations, net of tax*	**—**	—	(0.3)
Treasury Locks	*Other non-operating income (expense)*	**—**	—	(0.4)
Customer Supply Agreements	*Product revenues*	**187.8**	149.2	171.4
Provisional Pricing Arrangements	*Product revenues*	**(11.8)**	(7.2)	(7.8)
Total		**$ 159.1**	$ 141.4	$ 163.2

Refer to NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS for additional information.

NOTE 14 - DISCONTINUED OPERATIONS

In April 2014, the FASB issued ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which changes the criteria for reporting discontinued operations and requires additional disclosures about discontinued operations. The standard requires that an entity report as a discontinued operation only a disposal that represents a strategic shift in operations that has a major effect on its operations and financial results. ASU 2014-08 is effective prospectively for new disposals that occur within annual periods beginning on or after December 15, 2014. Early adoption is permitted and we adopted ASU 2014-08 during the three months ended December 31, 2014. Adoption of the standard had a material impact on our Statements of Consolidated Operations.

The Wabush mine was idled by the end of the first quarter of 2014 and we subsequently began to commence permanent closure during the fourth quarter of 2014. As part of these closure activities, we terminated the rail transportation agreement and began implementation of the provincial Rehabilitation and Closure Plan that has been approved by the Canadian Department of Natural Resources. As such, the Wabush mine was deemed abandoned as of December 31, 2014 and meets the disposed by other than sale criteria.

On December 31, 2014, we completed the sale of our CLCC assets in West Virginia to Coronado Coal II, LLC, an affiliate of Coronado Coal LLC, for $174.0 million in cash and the assumption of certain liabilities, of which $155.0 million has been collected as of December 31, 2014. We recorded the results of this sale in our fourth quarter earnings as the transaction closed on December 31, 2014. As such, CLCC as of December 31, 2014, meets the disposed of by sale criteria.

As Wabush and CLCC met criteria for discontinued operations, each disposal had to be further evaluated to determine whether the disposal represents a strategic shift that has (or will have) a major effect on our operations and financial results. Wabush and CLCC meet the criteria for discontinued operations as Wabush's closure plan was implemented and CLCC was sold. According to ASU 2014-08, examples of a strategic shift that has (or will have) a major effect on an entity’s operations and financial results could include a disposal of a major geographical area, a major line of business, a major equity method investment, or other major parts of an entity. In order to determine if the disposal of CLCC or Wabush had a major effect on our operations and financial results, we used revenues and assets as a key indicator of significance as those are historically key indicators we have used to measure our components against. For both Wabush and CLCC, the associated revenues and assets were determined not to be a significant percentage of our consolidated results as evidenced by the years ended December 31, 2014, 2013 and 2012. Wabush revenues were less than 8 percent of consolidated revenues and less than 4 percent of total assets for the years ended December 31, 2014, 2013 and 2012. CLCC revenues were less than 5 percent of consolidated revenues and less than 8 percent of total assets for the years ended December 31, 2014, 2013 and 2012.

Other key indicators such as sales margin, EBITDA and adjusted EBITDA are not relevant for Wabush as Wabush was idled in the first quarter of 2014 and therefore not operational for the majority of 2014. These other key indicators were also not relevant for CLCC as the coal business makes up a small percentage of our overall financial results, approximately 15 percent of consolidated revenues in 2014, as compared to our iron ore business.

After assessing Wabush and CLCC under the ASU 2014-08 guidance as discussed above, it was determined that Wabush and CLCC do not qualify as discontinued operations as of December 31, 2014. Neither Wabush nor CLCC represent a strategic shift that has or will have a major impact on our operations or financial results.

The amendments in this ASU 2014-08 require us to provide the *Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures* for each individually significant component of an entity that does not qualify for discontinued operations presentation in the financial statements. The *Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures* is to be presented for the component of an entity for the period in which it is disposed of or is classified as held for sale and for all prior periods that are presented in the Statements of Consolidated Operations. As required, the *Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures* for Wabush and CLCC are presented below:

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY INCOME (LOSS) FROM VENTURES			
Wabush	**$ (345.6)**	$ (258.6)	$ (131.8)
CLCC	**$ (669.9)**	$ (55.0)	$ (41.8)

The table below sets forth selected financial information related to operating results of our business classified as discontinued operations. While the reclassification of revenues and expenses related to discontinued operations for prior periods has no impact upon previously reported net income, the Statements of Consolidated Operations present the revenues and expenses that were reclassified from the specified line items to discontinued operations. During the fourth quarter of 2012, we sold our 45 percent economic interest in Sonoma. The Sonoma operations previously were included in *Other* within our reportable segments.

The following table presents detail of our operations related to our Sonoma operations in the Statements of Consolidated Operations:

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
REVENUES FROM PRODUCT SALES AND SERVICES			
Product	**$ —**	$ —	$ 151.6
GAIN ON SALE FROM DISCONTINUED OPERATIONS, net of tax	**—**	—	38.0
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	**—**	2.0	(2.1)
INCOME and GAIN ON SALE FROM DISCONTINUED OPERATIONS, net of tax	**$ —**	$ 2.0	$ 35.9

Income and Gain on Sale from Discontinued Operations, net of tax during the year ended December 31, 2013 relates to additional income tax benefit resulting from the actual tax gain from the sale of Sonoma as included on the 2012 tax return, which was filed during the year ended December 31, 2013.

We recorded a gain of $38.0 million, net of $8.1 million in tax expense in *Income and Gain on Sale from Discontinued Operations, net of tax* in the Statements of Consolidated Operations for the year ended December 31, 2012 related to our sale of the Sonoma operations, which was completed as of November 12, 2012. We recorded a loss from discontinued operations in 2012 of $2.1 million, net of $2.4 million in tax expense.

NOTE 15 - CAPITAL STOCK

Depositary Shares

On February 21, 2013, we issued 29.25 million depositary shares, representing an aggregate of 731,250 preferred shares, comprised of the 27.0 million depositary share offering and the exercise of an underwriters' over-allotment option to purchase an additional 2.25 million depositary shares. Each depositary share represents a 1/40th interest in a share of our 7.00 percent Series A Mandatory Convertible Preferred Stock, Class A, without par value ("Preferred Share") at a price of $25 per depositary share for total net proceeds of approximately $709.4 million, after underwriter fees and discounts. Each Preferred Share has an initial liquidation preference of $1,000 per share (equivalent to a $25 liquidation preference per depositary share). When and if declared by our Board of Directors, we will pay cumulative dividends on each Preferred Share at an annual rate of 7.00 percent on the liquidation preference. We will pay declared dividends in cash on February 1, May 1, August 1 and November 1 of each year, commencing on May 1, 2013 and to, and including February 1, 2016. Holders of the depositary shares are entitled to a proportional fractional interest in the rights and preferences of the Preferred Shares, including conversion, dividend, liquidation and voting rights, subject to the provisions of the deposit agreement.

The Preferred Shares may be converted, at the option of the holder, at the minimum conversion rate of 28.1480 of our common shares (equivalent to 0.7037 of our common shares per depositary share) at any time prior to February 1, 2016 or other than during a fundamental change conversion period, subject to anti-dilution adjustments. If not converted prior to that time, each Preferred Share will convert automatically on February 1, 2016 into between 28.1480 and 34.4840 common shares, par value $0.125 per share, subject to anti-dilution adjustments. The number of common shares issuable on conversion will be determined based on the average VWAP per share of our common shares during the 20 trading day period beginning on, and including, the 23rd scheduled trading day prior to February 1, 2016, subject to customary anti-dilution adjustments. Upon conversion, a minimum of 20.6 million common shares and a maximum of 25.2 million common shares will be issued.

If certain fundamental changes involving the Company occur, holders of the Preferred Shares may convert their shares into a number of common shares at the conversion rate that will be adjusted under certain circumstances, and such holders also will be entitled to a fundamental change dividend make-whole amount. The Preferred Shares are not redeemable.

Common Share Public Offering

On February 21, 2013, we issued 10.35 million common shares, comprised of the 9.0 million common share offering and the exercise of an underwriters' option to purchase an additional 1.35 million common shares. We received net proceeds of approximately $285.3 million at a closing price of $29.00 per common share.

Dividends

On March 20, 2013, our Board of Directors declared a cash dividend of $13.6111 per Preferred Share, which is equivalent to approximately $0.34 per depositary share. The cash dividend was paid on May 1, 2013 to our shareholders of record as of the close of business on April 15, 2013. On May 7, 2013, September 9, 2013, and November 11, 2013, our Board of Directors declared a quarterly cash dividend of $17.50 per Preferred Share, which is equivalent to approximately $0.44 per depositary share. The cash dividend was paid on August 1, 2013, November 1, 2013 and February 3, 2014 to our shareholders of record as of the close of business on July 15, 2013, October 15, 2013 and January 15, 2014, respectively. On February 11, 2014, May 13, 2014, and September 8, 2014, our board of directors declared the quarterly cash dividend of $17.50 per Preferred Share, which is equivalent to approximately $0.44 per depositary share. The cash dividend was paid on May 1, 2014, August 1, 2014 and November 3, 2014, to our Preferred Shareholders of record as of the close of business on April 15, 2014, July 15, 2014, and October 15, 2014, respectively. On November 19, 2014, our Board of Directors declared the quarterly cash dividend of $17.50 per Preferred Share, which is equivalent to approximately $0.44 per depositary share. The cash dividend of $12.8 million was paid on February 2, 2015 to our shareholders of record as of the close of business on January 15, 2015.

On February 11, 2013, our Board of Directors approved a reduction to our quarterly cash dividend rate by 76 percent to $0.15 per share. Our Board of Directors took this step in order to improve the future cash flows available for investment in the Phase II expansion at Bloom Lake, as well as to preserve our investment-grade credit ratings. The decreased dividend of $0.15 per share was paid on March 1, 2013, June 3, 2013, September 3, 2013 and December 2, 2013 to our common shareholders of record as of the close of business on February 22, 2013, May 17, 2013, August 15, 2013 and November 22, 2013, respectively. Additionally, the cash dividend of $0.15 per share was paid on March 3, 2014, June 3, 2014, September 2, 2014 and December 1, 2014 to our common shareholders of record as of close of business on February 21, 2014, May 23, 2014, August 15, 2014 and November 15, 2014.

NOTE 16 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of *Accumulated other comprehensive income (loss)* within Cliffs shareholders' equity and related tax effects allocated to each are shown below as of December 31, 2014, 2013 and 2012:

	(In Millions)		
	Pre-tax Amount	**Tax Benefit (Provision)**	**After-tax Amount**
As of December 31, 2012:			
Postretirement benefit liability	$ (576.7)	$ 194.0	$ (382.7)
Foreign currency translation adjustments	316.3	—	316.3
Unrealized net gain on derivative financial instruments	12.4	(3.7)	8.7
Unrealized gain on securities	3.3	(1.2)	2.1
	$ (244.7)	$ 189.1	$ (55.6)
As of December 31, 2013:			
Postretirement benefit liability	$ (299.3)	$ 94.4	$ (204.9)
Foreign currency translation adjustments	106.7	—	106.7
Unrealized net gain on derivative financial instruments	(30.0)	9.1	(20.9)
Unrealized gain on securities	9.3	(3.1)	6.2
	$ (213.3)	$ 100.4	$ (112.9)
As of December 31, 2014:			
Postretirement benefit liability	**$ (425.3)**	**$ 134.2**	**$ (291.1)**
Foreign currency translation adjustments	**64.4**	**—**	**64.4**
Unrealized net loss on derivative financial instruments	**(25.9)**	**7.8**	**(18.1)**
Unrealized gain on securities	**(1.3)**	**0.3**	**(1.0)**
	$ (388.1)	**$ 142.3**	**$ (245.8)**

The following tables reflect the changes in *Accumulated other comprehensive income (loss)* related to Cliffs shareholders' equity for December 31, 2014, 2013 and 2012:

	(In Millions)				
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Securities, net of tax	Unrealized Net Gain (Loss) on Foreign Currency Translation	Net Unrealized Gain (Loss) on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2013	**$ (204.9)**	**$ 6.2**	**$ 106.7**	**$ (20.9)**	**$ (112.9)**
Other comprehensive income (loss) before reclassifications	**(0.4)**	**3.8**	**40.5**	**(2.3)**	**41.6**
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	**3.3**	**0.1**	**—**	**12.8**	**16.2**
Balance March 31, 2014	**$ (202.0)**	**$ 10.1**	**$ 147.2**	**$ (10.4)**	**$ (55.1)**
Other comprehensive loss before reclassifications	**(1.4)**	**(2.4)**	**19.7**	**9.7**	**25.6**
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	**4.0**	**(1.3)**	**—**	**6.6**	**9.3**
Balance June 30, 2014	**$ (199.4)**	**$ 6.4**	**$ 166.9**	**$ 5.9**	**$ (20.2)**
Other comprehensive income (loss) before reclassifications	**3.5**	**1.3**	**(65.9)**	**(20.0)**	**(81.1)**
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	**7.6**	**(7.1)**	**—**	**(0.6)**	**(0.1)**
Balance September 30, 2014	**$ (188.3)**	**$ 0.6**	**$ 101.0**	**$ (14.7)**	**$ (101.4)**
Other comprehensive income (loss) before reclassifications	**$ (98.7)**	**$ (1.4)**	**$ (36.6)**	**$ (15.6)**	**$ (152.3)**
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	**$ (4.1)**	**$ (0.2)**	**$ —**	**$ 12.2**	**$ 7.9**
Balance December 31, 2014	**$ (291.1)**	**$ (1.0)**	**$ 64.4**	**$ (18.1)**	**$ (245.8)**

	(In Millions)				
	Postretirement Benefit Liability, net of tax	**Unrealized Net Gain (Loss) on Securities, net of tax**	**Unrealized Net Gain (Loss) on Foreign Currency Translation**	**Net Unrealized Gain (Loss) on Derivative Financial Instruments, net of tax**	**Accumulated Other Comprehensive Income (Loss)**
Balance December 31, 2012	$ (382.7)	$ 2.1	$ 316.3	$ 8.7	$ (55.6)
Other comprehensive income (loss) before reclassifications	(1.1)	2.5	3.3	(5.0)	(0.3)
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	6.4	0.1	—	(2.0)	4.5
Balance March 31, 2013	$ (377.4)	$ 4.7	$ 319.6	$ 1.7	$ (51.4)
Other comprehensive loss before reclassifications	(1.5)	(2.0)	(152.0)	(42.2)	(197.7)
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	8.1	3.6	—	(2.2)	9.5
Balance June 30, 2013	$ (370.8)	$ 6.3	$ 167.6	$ (42.7)	$ (239.6)
Other comprehensive income (loss) before reclassifications	(0.6)	3.5	22.8	12.1	37.8
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	6.3	0.9	—	16.2	23.4
Balance September 30, 2013	$ (365.1)	$ 10.7	$ 190.4	$ (14.4)	$ (178.4)
Other comprehensive income (loss) before reclassifications	$ 154.5	$ (4.9)	$ (83.7)	$ (16.6)	$ 49.3
Net loss (gain) reclassified from accumulated other comprehensive income (loss)	$ 5.7	$ 0.4	$ —	$ 10.1	$ 16.2
Balance December 31, 2013	$ (204.9)	$ 6.2	$ 106.7	$ (20.9)	$ (112.9)

	(In Millions)				
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Securities, net of tax	Unrealized Net Gain on Foreign Currency Translation	Net Unrealized Gain on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2011	$ (408.9)	$ 2.6	$ 312.5	$ 1.2	$ (92.6)
Change during 2012	26.2	(0.5)	3.8	7.5	37.0
Balance December 31, 2012	$ (382.7)	$ 2.1	$ 316.3	$ 8.7	$ (55.6)

The following table reflects the details about *Accumulated other comprehensive income (loss)* components related to Cliffs shareholders' equity for the year ended December 31, 2014:

Details about Accumulated Other Comprehensive Income (Loss) Components	(In Millions) Amount of (Gain)/Loss Reclassified into Income		Affected Line Item in the Statement of Unaudited Condensed Consolidated Operations
	Year Ended December 31, 2014	**Year Ended December 31, 2013**	
Amortization of Pension and Postretirement Benefit Liability:			
Prior service costs	**$ (0.9)**	$ (0.6)	(1)
Net actuarial loss	**19.1**	41.4	(1)
Curtailments/Settlements	**(5.0)**	—	(1)
Special termination benefits	**3.4**	—	(1)
	16.6	40.8	Total before taxes
	(5.8)	(14.3)	*Income tax benefit (expense)*
	$ 10.8	$ 26.5	Net of taxes
Unrealized gain (loss) on marketable securities:			
Sale of marketable securities	**$ (11.4)**	$ (0.2)	*Other non-operating income (expense)*
Impairment	**(0.5)**	5.3	*Other non-operating income (expense)*
	(11.9)	5.1	Total before taxes
	3.4	(0.1)	*Income tax benefit (expense)*
	$ (8.5)	$ 5.0	Net of taxes
Unrealized gain (loss) on derivative financial instruments:			
Australian dollar foreign exchange contracts	**$ 18.9**	$ 17.0	*Product revenues*
Canadian dollar foreign exchange contracts	**26.7**	15.3	*Cost of goods sold and operating expenses*
	45.6	32.3	Total before taxes
	(14.6)	(10.2)	*Income tax benefit (expense)*
	$ 31.0	$ 22.1	Net of taxes
Total Reclassifications for the Period	**$ 33.3**	$ 53.6	

(1) These accumulated other comprehensive income components are included in the net periodic benefit cost recognized for the year ended December 31, 2014 and 2013. See NOTE 7 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

NOTE 17 - CASH FLOW INFORMATION

A reconciliation of capital additions to cash paid for capital expenditures for the years ended December 31, 2014, 2013 and 2012 is as follows:

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
Capital additions	**$ 235.5**	$ 752.3	$ 1,335.3
Cash paid for capital expenditures	**284.1**	861.6	1,127.5
Difference	**$ (48.6)**	$ (109.3)	$ 207.8
Non-cash accruals	**$ (58.5)**	$ (109.3)	$ 152.5
Capital leases	**9.9**	—	55.3
Total	**$ (48.6)**	$ (109.3)	$ 207.8

Cash payments for interest and income taxes in 2014, 2013 and 2012 are as follows:

	(In Millions)		
	2014	2013	2012
Taxes paid on income	**$ 47.3**	$ 153.3	$ 443.2
Interest paid on debt obligations	**176.5**	174.4	207.5

Non-Cash Financing Activities - Declared Dividends

On November 19, 2014, our Board of Directors declared the quarterly cash dividend on our Preferred Shares of $17.50 per share, which is equivalent to approximately $0.44 per depositary share, each representing 1/40th of a Preferred Share. The cash dividend of $12.8 million was paid on February 2, 2015 to our preferred shareholders of record as of the close of business on January 15, 2015.

NOTE 18 - RELATED PARTIES

Three of our five U.S. iron ore mines and one of our two Eastern Canadian iron ore mines are owned with various joint venture partners that are integrated steel producers or their subsidiaries. We are the manager of each of the mines we co-own and rely on our joint venture partners to make their required capital contributions and to pay for their share of the iron ore pellets and concentrate that we produce. The joint venture partners are also our customers. The following is a summary of the mine ownership of these iron ore mines at December 31, 2014:

Mine	**Cliffs Natural Resources**	**ArcelorMittal**	**U.S. Steel Canada**	**WISCO**
Empire	79.0%	21.0%	—	—
Tilden	85.0%	—	15.0%	—
Hibbing	23.0%	62.3%	14.7%	—
Bloom Lake	82.8%	—	—	17.2%

ArcelorMittal has a unilateral right to put its interest in the Empire mine to us, but has not exercised this right to date.

Product revenues from related parties were as follows:

	(In Millions)		
	Year Ended December 31,		
	2014	2013	2012
Product revenues from related parties	**$ 1,378.7**	$ 1,664.8	$ 1,660.8
Total product revenues	**4,230.8**	5,346.6	5,520.9
Related party product revenue as a percent of total product revenue	**32.6%**	31.1%	30.1%

Amounts due from related parties recorded in *Accounts receivable, net* and *Other current assets,* including customer supply agreements and provisional pricing arrangements, were $151.1 million and $132.0 million at December 31, 2014 and 2013, respectively. Amounts due to related parties recorded in *Other current liabilities,* including provisional pricing arrangements and liabilities to related parties, were $13.6 million and $25.1 million at December 31, 2014 and 2013, respectively.

Supply agreements with one of our customers include provisions for supplemental revenue or refunds based on the customer's annual steel pricing for the year the product is consumed in the customer's blast furnace. The supplemental pricing is characterized as an embedded derivative. Refer to NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

NOTE 19 - EARNINGS PER SHARE

The following table summarizes the computation of basic and diluted earnings per share attributable to Cliffs shareholders:

	(In Millions, Except Per Share Amounts)		
	Year Ended December 31,		
	2014	2013	2012
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	**$ (7,224.2)**	$ 411.5	$ (935.3)
Income (Loss) and Gain on Sale from Discontinued Operations, net of tax	**—**	2.0	35.9
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	**$ (7,224.2)**	$ 413.5	$ (899.4)
PREFERRED STOCK DIVIDENDS	**(51.2)**	(48.7)	—
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS COMMON SHAREHOLDERS	**$ (7,275.4)**	$ 364.8	$ (899.4)
Weighted Average Number of Shares:			
Basic	**153.1**	151.7	142.4
Depositary Shares	**—**	0.5	—
Employee Stock Plans	**—**	22.1	—
Diluted	**153.1**	174.3	142.4
Earnings (loss) per Common Share Attributable to Cliffs Common Shareholders - Basic:			
Continuing operations	**$ (47.52)**	$ 2.39	$ (6.57)
Discontinued operations	**—**	0.01	0.25
	$ (47.52)	$ 2.40	$ (6.32)
Earnings (loss) per Common Share Attributable to Cliffs Common Shareholders - Diluted:			
Continuing operations	**$ (47.52)**	$ 2.36	$ (6.57)
Discontinued operations	**—**	0.01	0.25
	$ (47.52)	$ 2.37	$ (6.32)

The diluted earnings per share calculation excludes 25.2 million depositary shares that were anti-dilutive for the year ended December 31, 2014. Additionally, the diluted earnings per share calculation excludes 0.7 million shares for the year ended December 31, 2014 related to equity plan awards that were anti-dilutive. There was no anti-dilution for the year ended December 31, 2013. For the year ended December 31, 2012, the diluted earnings per share calculation excludes 0.5 million shares related to equity plan awards that were anti-dilutive.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

We are currently a party to various claims and legal proceedings incidental to our operations. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material effect on our financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, additional funding requirements or an injunction. If an unfavorable ruling were to occur, there exists the possibility of a material impact on the financial position and results of operations of the period in which the ruling occurs, or future periods. However, we believe that any pending litigation will not result in a material liability in relation to our consolidated financial statements.

Environmental Matters

We had environmental liabilities of $5.5 million and $8.4 million at December 31, 2014 and 2013, respectively, including obligations for known environmental remediation exposures at active and closed mining operations and other sites. These amounts have been recognized based on the estimated cost of investigation and remediation at each site, and include site studies, design and implementation of remediation plans, legal and consulting fees, and post-remediation monitoring and related activities. If the cost can only be estimated as a range of possible amounts with no specific amount being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements are readily known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed. The amount of our ultimate liability with respect to these matters may be affected by several uncertainties, primarily the ultimate cost of required remediation and the extent to which other responsible parties contribute. Refer to NOTE 11 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS for further information.

Tax Matters

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. Refer to NOTE 9 - INCOME TAXES for further information.

NOTE 21 - SUBSEQUENT EVENTS

Common Share Dividend

On January 26, 2015, we announced that our Board of Directors had decided to eliminate the quarterly dividend of $0.15 per share on our common shares. The decision is applicable to the first quarter of 2015 and all subsequent quarters. The elimination of the common share dividend provides us with additional free cash flow of approximately $92 million annually, which we intend to use for further debt reduction. We see accelerated debt reduction as a more effective means of protecting our shareholders than continuing to pay a common share dividend.

Credit Facility

On January 22, 2015, we amended the revolving credit agreement (Amendment No. 6) to effect the following:

- Reduces the size of the existing facility from $1.125 billion to $900 million at the closing of this amendment with a further reduction to $750 million on May 31, 2015.
- Permits certain of our subsidiaries and joint ventures related to our Canadian operations (collectively, the "Canadian Entities") to enter into a restructuring (the "Canadian Restructuring").
- Permits costs and expenses incurred in connection with the Canadian Restructuring in an amount not to exceed $75 million to be added back to the calculation of EBITDA.
- Adds limitations with respect to investments in the Canadian Entities after the Canadian Restructuring.
- Adds limitations on the guaranty of indebtness of a Canadian Entity by us or our subsidiaries (other than by another Canadian Entity).
- Permits additional liens on the assets of the Canadian Entities.
- Reduces the permitted amount of quarterly dividends on our common shares to not more than $0.01 per share in any fiscal quarter.
- Grants a security interest in our as-extracted collateral and certain of our subsidiaries.
- Excludes certain indebtness and obligations of the Canadian Entities from the representations, covenants and events of default.

The amended facility retains substantial financial flexibility for management to execute our strategy and provides us a consistent source of liquidity.

Bloom Lake Group CCAA Filing

As we have previously disclosed, despite our cost-cutting progress at our Bloom Lake mine, we concluded that Phase I alone would not be economically feasible based on our current operating plans and that the mine must be further developed to reduce the overall cash cost of operations. However, also as previously disclosed, we would only develop Phase II of the Bloom Lake mine if we were able to secure new equity partners to share in the capital costs, which we estimated to be approximately $1.2 billion. As the new equity partners were unable to commit within the short timeframe we required, we determined that the Phase II expansion of the Bloom Lake mine was no longer a viable option for us so we shifted our focus to considering available possibilities and executing an exit option for Eastern Canadian Iron Ore operations that minimized the cash outflows and associated liabilities. In December 2014, iron ore production at the Bloom Lake mine was suspended and the Bloom Lake mine was placed in ‘‘care-and-maintenance’’ mode.

On January 27, 2015, we announced that the Bloom Lake Group had commenced restructuring proceedings in Montreal, Québec, under the CCAA. The Bloom Lake Group comprises the Canadian affiliates which own and/or operate the Bloom Lake mine or are subsidiaries of such affiliates.

The decision by the Bloom Lake Group to seek protection under the CCAA was based on a thorough legal and financial analysis of the options available. The Bloom Lake Group was no longer generating any revenues and was not able to meet its obligations as they became due. The initial CCAA order obtained on January 27, 2015 addresses the Bloom Lake Group’s immediate liquidity issues by staying creditor claims and permits the Bloom Lake Group to preserve and protect its assets for the benefit of all stakeholders while restructuring and/or sale options are explored.

As part of the CCAA process, the Court has appointed FTI Consulting Canada Inc. as the Monitor. The Monitor’s role in the CCAA process is to monitor the activities of the Bloom Lake Group and provide assistance to the Bloom Lake Group and its stakeholders in respect of the CCAA process.

We also filed on February 2, 2015 a Current Report on Form 8-K that provides pro forma financial information reflecting the deconsolidation of the Bloom Lake Group. Additional information regarding the CCAA proceedings are available on the Monitor’s website at http://cfcanada.fticonsulting.com/bloomlake.

NOTE 22 - QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The sum of quarterly EPS may not equal EPS for the year due to discrete quarterly calculations.

	(In Millions, Except Per Share Amounts)				
	2014				
	Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$ 940.0	$ 1,100.8	$ 1,298.2	$ 1,284.7	$ 4,623.7
Sales margin	63.2	92.0	127.5	168.7	451.4
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	$ (70.3)	$ 10.9	$ (5,879.6)	$ (1,285.1)	$ (7,224.2)
Income from Discontinued Operations	—	—	—	—	—
Net Income (Loss) Attributable to Cliffs Shareholders	$ (70.3)	$ 10.9	$ (5,879.6)	$ (1,285.1)	$ (7,224.2)
Preferred Stock Dividends	$ (12.8)	$ (12.8)	$ (12.8)	$ (12.8)	$ (51.2)
Net Income (Loss) Attributable to Cliffs Common Shareholders	$ (83.1)	$ (1.9)	$ (5,892.4)	$ (1,297.9)	$ (7,275.4)
Earnings per common share attributable to Cliffs common shareholders — Basic:					
Continuing Operations	$ (0.54)	$ (0.01)	$ (38.49)	$ (8.48)	$ (47.52)
Discontinued Operations	—	—	—	—	—
	$ (0.54)	$ (0.01)	$ (38.49)	$ (8.48)	$ (47.52)
Earnings per common share attributable to Cliffs common shareholders — Diluted:					
Continuing Operations	$ (0.54)	$ (0.01)	$ (38.49)	$ (8.48)	$ (47.52)
Discontinued Operations	—	—	—	—	—
	$ (0.54)	$ (0.01)	$ (38.49)	$ (8.48)	$ (47.52)

The diluted earnings per share calculation for all quarters of 2014 exclude depositary shares that were anti-dilutive totaling 25.2 million million and equity plan awards ranging between 0.3 million and 0.8 million each quarter that were anti-dilutive.

	2013				
	Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$ 1,140.5	$ 1,488.5	$ 1,546.6	$ 1,515.8	$ 5,691.4
Sales margin	237.9	268.2	348.7	294.5	1,149.3
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	$ 107.0	$ 146.0	$ 115.2	$ 43.3	$ 411.5
Income (Loss) and Gain on Sale from Discontinued Operations, net of tax	—	—	2.0	—	2.0
Net Income Attributable to Cliffs Shareholders	$ 107.0	$ 146.0	$ 117.2	$ 43.3	$ 413.5
Earnings per common share attributable to Cliffs common shareholders — Basic:					
Continuing Operations	$ 0.66	$ 0.87	$ 0.67	$ 0.20	$ 2.39
Discontinued Operations	—	—	0.01	—	0.01
	$ 0.66	$ 0.87	$ 0.68	$ 0.20	$ 2.40
Earnings per common share attributable to Cliffs common shareholders — Diluted:					
Continuing Operations	$ 0.66	$ 0.82	$ 0.65	$ 0.20	$ 2.36
Discontinued Operations	—	—	0.01	—	0.01
	$ 0.66	$ 0.82	$ 0.66	$ 0.20	$ 2.37

The diluted earnings per share calculation for the first and fourth quarters of 2013 exclude depositary shares that were anti-dilutive totaling 12.9 million and 25.2 million, respectively.

Fourth Quarter Results

During the fourth quarter of 2014, we recorded impairment charges of $ 1.3 billion primarily related to Bloom Lake and driven mainly by the changes in life-of-mine cash flows due to declining market pricing. Also, during the fourth quarter of 2014, we completed the sale of the CLCC assets for $174.0 million in cash and the assumption of certain liabilities, of which $155.0 million has been collected, and resulted in a loss on the sale of these assets of $419.6 million. The fourth quarter 2014 results additionally included an income tax benefit of $289.7 million, which includes the benefits related to the impairment charges as well as the recognition of a loss on a financial guaranty and the sale of CLCC assets.

Upon performing our annual goodwill impairment test in the fourth quarter of 2013, a goodwill impairment charge of $80.9 million million was recorded for our Cliffs Chromite Ontario and Cliffs Chromite Far North reporting units within our Ferroalloys operating segment. We also recorded an other long-lived asset impairment charge of $154.6 million related to our Wabush operations within our Eastern Canadian Iron Ore operating segment to reduce those assets to their estimated fair value as of December 31, 2013. All of these charges impacted *Impairment of goodwill and other long-lived assets* .

As discussed in NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES , we recorded an adjustment to correct an immaterial prior period error in the noncontrolling interest related to Bloom Lake. Accordingly, the adjustment was recorded prospectively in the Statements of Consolidated Operations for the period ended December 31, 2013 and in the Statements of Consolidated Financial Position as of December 31, 2013. The adjustment to noncontrolling interest related to Bloom Lake was approximately $45.1 million and resulted in an increase to *Net Income (Loss) Attributable to Cliffs Shareholders* and a reduction of *Loss attributable to noncontrolling interest* and corresponding decrease to *Noncontrolling interest* in the Statements of Consolidated Financial Position for the three months ended and year ended December 31, 2013. The adjustments also resulted in an increase to basic and diluted earnings per common share of $0.29 for the three months ended December 31, 2013.

Refer to NOTE 12 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES , NOTE 4 - PROPERTY, PLANT AND EQUIPMENT and NOTE 9 - INCOME TAXES for further information.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cliffs Natural Resources Inc.
Cleveland, Ohio

We have audited the internal control over financial reporting of Cliffs Natural Resources Inc. and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting.* Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2014 of the Company and our report dated February 25, 2015 expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph regarding a change in accounting for discontinued operations.

/s/ *Deloitte & Touche LLP*

Cleveland, Ohio
February 25, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cliffs Natural Resources Inc.
Cleveland, Ohio

We have audited the accompanying statements of consolidated financial position of Cliffs Natural Resources Inc. and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related statements of consolidated operations, comprehensive income (loss), cash flows, and changes in equity for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cliffs Natural Resources Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for discontinued operations in 2014 due to the adoption of Accounting Standards Update 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ *Deloitte & Touche LLP*

Cleveland, Ohio
February 25, 2015

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our President and Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined under Rule 13a-15(f) promulgated under the Exchange Act.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the Company's internal control over financial reporting as of December 31, 2014 using the framework specified in *Internal Control - Integrated Framework* (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report that appears herein.

February 25, 2015

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting or in other factors that occurred during our last fiscal quarter or our last fiscal year that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required to be furnished by this Item will be set forth in our definitive proxy statement for the 2015 Annual Meeting of Shareholders (the "Proxy Statement") under the headings "Board Meetings and Committees - Audit Committee", "Business Ethics Policy", "Independence and Related Party Transactions", "Information Concerning Director Nominees" and "Section 16(a) Beneficial Ownership Reporting Compliance", and is incorporated herein by reference and made a part hereof from the Proxy Statement. The information regarding executive officers required by this Item is set forth in *Part I - Item 1. Business* hereof under the heading "Executive Officers of the Registrant", which information is incorporated herein by reference and made a part hereof.

Item 11. *Executive Compensation*

The information required to be furnished by this Item will be set forth in our Proxy Statement under the headings "Director Compensation", "Compensation Committee Report", "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required to be furnished by this Item regarding "Securities Authorized for Issuance Under Equity Compensation Plans", "Related Stockholder Matters" and "Security Ownership" will be set forth in the Proxy Statement under the headings "Independence and Related Party Transactions", "Ownership of Equity Securities of the Company" and "Equity Compensation Plan Information", respectively, and is incorporated herein by reference and made part hereof from the Proxy Statement.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required to be furnished by this Item will be set forth in the definitive Proxy Statement under the heading "Independence and Related Party Transactions" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 14. *Principal Accountant Fees and Services*

The information required to be furnished by this Item will be set forth in the Proxy Statement under the heading "Ratification of Independent Registered Public Accounting Firm" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) and (2) - List of Financial Statements and Financial Statement Schedules.

The following consolidated financial statements of Cliffs Natural Resources Inc. are included at *Item 8. Financial Statements and Supplementary Data* above:

- Statements of Consolidated Financial Position - December 31, 2014 and 2013
- Statements of Consolidated Operations - Years ended December 31, 2014, 2013 and 2012
- Statements of Consolidated Comprehensive Income - Years ended December 31, 2014, 2013 and 2012
- Statements of Consolidated Cash Flows - Years ended December 31, 2014, 2013 and 2012
- Statements of Consolidated Changes in Equity - Years ended December 31, 2014, 2013 and 2012
- Notes to Consolidated Financial Statements

The following consolidated financial statement schedule of Cliffs Natural Resources Inc. is included herein in Item 15(d) and attached as Exhibit 99(a):

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) List of Exhibits - Refer to Exhibit Index on pages 190 - 197, which is incorporated herein by reference.

(c) Exhibits listed in Item 15(a)(3) above are incorporated herein by reference.

(d) The schedule listed above in Item 15(a)(1) and (2) is attached as Exhibit 99(a) and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLIFFS NATURAL RESOURCES INC.

By: /s/ Timothy K. Flanagan

Name: Timothy K. Flanagan

Title: Vice President, Corporate Controller and Chief Accounting Officer

Date: February 25, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ C. L. Goncalves C. L. Goncalves	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2015
/s/ T. M. Paradie T. M. Paradie	Executive Vice President & Chief Financial Officer (Principal Financial Officer)	February 25, 2015
/s/ T. K. Flanagan T. K. Flanagan	Vice President, Corporate Controller & Chief Accounting Officer (Principal Accounting Officer)	February 25, 2015
* J. T. Baldwin	Director	February 25, 2015
* R. P. Fisher, Jr.	Director	February 25, 2015
* S. M. Green	Director	February 25, 2015
* J. A. Rutkowski, Jr.	Director	February 25, 2015
* J. S. Sawyer	Director	February 25, 2015
* M. D. Siegal	Director	February 25, 2015
* G. Stoliar	Director	February 25, 2015
* D. C. Taylor	Director	February 25, 2015

* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K pursuant to a Power of Attorney executed on behalf of the above-indicated officers and directors of the registrant and filed herewith as Exhibit 24 on behalf of the registrant.

By: /s/ T. M. Paradie

(T. M. Paradie, as Attorney-in-Fact)

EXHIBIT INDEX

All documents referenced below have been filed pursuant to the Securities Exchange Act of 1934 by Cliffs Natural Resources Inc., file number 1-09844, unless otherwise indicated.

Exhibit Number	Exhibit
	Plan of purchase, sale, reorganization, arrangement, liquidation or succession
2.1	***Asset Purchase Agreement, dated as of December 2, 2014, by and among Cliffs Natural Resources Inc., Cliffs Logan County Coal LLC, Toney's Fork Land, LLC, Southern Eagle Land, LLC and Cliffs Logan County Coal Terminals LLC and Coronado Coal II, LLC (filed herewith)
2.2	***Amendment to Asset Purchase Agreement, effective as of December 31, 2014, by and among Cliffs Natural Resources Inc., Cliffs Logan County Coal LLC, Toney's Fork Land, LLC, Southern Eagle Land, LLC and Cliffs Logan County Coal Terminals LLC and Coronado Coal II, LLC (filed herewith)
	Articles of Incorporation and By-Laws of Cliffs Natural Resources Inc.
3.1	Third Amended Articles of Incorporation of Cliffs (as filed with the Secretary of State of the State of Ohio on May 13, 2013 (filed as Exhibit 3.1 to Cliffs' Form 8-K on May 13, 2013 and incorporated herein by reference)
3.2	Regulations of Cleveland-Cliffs Inc. (filed as Exhibit 3.2 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
	Instruments defining rights of security holders, including indentures
4.1	Form of Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010 (filed as Exhibit 4.1 to Cliffs' Form S-3 No. 333-165376 on March 10, 2010 and incorporated herein by reference)
4.2	Form of 5.90% Notes due 2020 First Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010, including Form of 5.90% Notes due 2020 (filed as Exhibit 4.2 to Cliffs' Form 8-K on March 16, 2010 and incorporated herein by reference)
4.3	Form of 4.80% Notes due 2020 Second Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 4.80% Notes due 2020 (filed as Exhibit 4.3 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)
4.4	Form of 6.25% Notes due 2040 Third Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 6.25% Notes due 2040 (filed as Exhibit 4.4 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)
4.5	Form of 4.875% Notes due 2021 Fourth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated March 23, 2011, including Form of 4.875% Notes due 2021 (filed as Exhibit 4.1 to Cliffs' Form 8-K on March 23, 2011 and incorporated herein by reference)
4.6	Fifth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated March 31, 2011 (filed as Exhibit 4(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)
4.7	Form of 3.95% Notes due 2018 Sixth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated December 13, 2012, including form of 3.95% Notes due 2018 (filed as Exhibit 4.1 to Cliffs' Form 8-K on December 13, 2012 and incorporated herein by reference)
4.8	Form of Common Share Certificate (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended September 30, 2014 and incorporated herein by reference)

	Material Contracts
10.1	* Form of Change in Control Severance Agreement, effective January 1, 2014 (covering existing grants) (filed as Exhibit 10.1 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.2	* Form of Change in Control Severance Agreement (covering newly hired officers) (filed as Exhibit 10.2 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.3	* Form of Change In Control Severance Agreement (covering newly hired officers) (filed as Exhibit 10.4 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.4	* Cliffs Natural Resources Inc. 2012 Non-Qualified Deferred Compensation Plan (effective January 1, 2012) dated November 8, 2011 (filed as Exhibit 10.1 to Cliffs’ Form 8-K on November 8, 2011 and incorporated herein by reference)
10.5	* Form of Indemnification Agreement between Cliffs Natural Resources Inc. and Directors (filed as Exhibit 10.5 to Cliffs’ Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.6	* Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors effective on July 1, 1995 (filed as Exhibit 10.6 to Cliffs’ Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.7	* Amendment to Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors dated as of January 1, 2001 (filed as Exhibit 10.7 to Cliffs’ Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.8	* Second Amendment to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors dated and effective January 14, 2003 (filed as Exhibit 10.8 to Cliffs’ Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.9	* Cliffs Natural Resources Inc. Nonemployee Directors’ Compensation Plan (Amended and Restated as of December 31, 2008) (filed as Exhibit 10(nnn) to Cliffs’ Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.10	* 2014 Nonemployee Directors' Compensation Plan (filed as Exhibit 10.2 to Cliffs’ Form 8-K on August 4, 2014 and incorporated herein by reference)
10.11	* Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, Severance Pay Plan for Key Employees and certain executive agreements (filed as Exhibit 10.10 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.12	* Trust Agreement No. 1 Amendments to Exhibits, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.13 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.13	* First Amendment to Trust Agreement No. 1, effective September 10, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.12 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.14	* Second Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(y) to Cliffs’ Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.15	* Third Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as July 28, 2014 (filed herewith)

10.16	* Amended and Restated Trust Agreement No. 2, effective as of October 15, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to Executive Agreements and Indemnification Agreements with the Company's Directors and certain Officers, the Company's Severance Pay Plan for Key Employees, and the Retention Plan for Salaried Employees (filed as Exhibit 10.14 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.17	* Second Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(aa) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.18	* Third Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.19	* Trust Agreement No. 5, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to certain deferred compensation agreements (filed as Exhibit 10.16 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.20	* First Amendment to Trust Agreement No. 5, dated as of May 12, 1989, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.17 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)
10.21	* Second Amendment to Trust Agreement No. 5, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.18 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)
10.22	* Third Amendment to Trust Agreement No. 5, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.23	* Fourth Amendment to Trust Agreement No. 5, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.20 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.24	* Fifth Amendment to Trust Agreement No. 5, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.25	*Sixth Amendment to Trust Agreement No. 5 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(hh) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.26	*Seventh Amendment to Trust Agreement No. 5 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.27	* Trust Agreement No. 7, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (filed as Exhibit 10.23 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.28	* First Amendment to Trust Agreement No. 7, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, dated as of March 9, 1992 (filed as Exhibit 10.24 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.29	* Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.25 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.30	* Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.26 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)

10.31	* Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.27 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.32	* Amendment to Exhibits to Trust Agreement No. 7, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.28 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.33	* Sixth Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(oo) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.34	* Seventh Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.35	* Trust Agreement No. 8, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (filed as Exhibit 10.32 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.36	* First Amendment to Trust Agreement No. 8, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.31 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.37	* Second Amendment to Trust Agreement No. 8, dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.32 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.38	* Third Amendment to Trust Agreement No. 8 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ss) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.39	* Fourth Amendment to Trust Agreement No. 8 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.40	* Trust Agreement No. 9, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan (filed as Exhibit 10.34 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.41	* First Amendment to Trust Agreement No. 9 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(uu) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.42	* Second Amendment to Trust Agreement No. 9 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.43	* Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan (filed as Exhibit 10.36 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.44	*First Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ww) to Cliffs' Form 10-K for the period ended February 26, 2009 and incorporated herein by reference)

10.45	* Second Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed herewith)
10.46	*Letter Agreement of Employment by and between Cliffs Natural Resources Inc. and Gary B. Halverson dated October 23, 2013 (filed as Exhibit 10.50 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.47	*Non-employee Director Phantom Stock Unit Award Agreement, by and between Cliffs and James F. Kirsch dated July 9, 2013 (filed as Exhibit 10.51 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.48	*Letter Agreement between Cliffs Natural Resources Inc. and James Kirsch dated December 4, 2013 (filed as Exhibit 10.52 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.49	*Form of Letter Agreement of Employment between Cliffs Asia Pacific Iron Ore Management Pty Ltd and Australian Executives (filed as Exhibit 10.55 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.50	*Letter Agreement between Cliffs Natural Resources Inc. and William Hart dated October 10, 2013 (filed as Exhibit 10.56 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.51	*Severance Agreement, by and between William S. Hart and Cliffs Natural Resources Inc. and its affiliates, dated March 20, 2014 (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2014 and incorporated herein by reference)
10.52	*Release by William S. Hart in favor of Cliffs Natural Resources Inc. and its affiliates, dated March 26, 2014 (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended March 31, 2014 and incorporated herein by reference)
10.53	*Redundancy Letter Agreement, by and between Cliffs Asia Pacific Iron Ore Management PTY LTD and Colin Williams, dated March 21, 2014 (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended June 30, 2014 and incorporated herein by reference)
10.54	*Severance Agreement and Release, by and between Gary B. Halverson and Cliffs Natural Resources Inc., dated August 22, 2014 (filed herewith)
10.55	*Letter Agreement, by and between Lourenco Goncalves and Cliffs Natural Resources Inc., signed as of September 11, 2014 (filed as Exhibit 10.1 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.56	*Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan Summary, effective January 1, 2004 (filed as Exhibit 10.47 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.57	*Cliffs Natural Resources Inc. 2012 Executive Management Performance Incentive Plan effective March 13, 2012 (filed as Exhibit 10.3 to Cliffs' Form 8-K on May 14, 2012 and incorporated herein by reference)
10.58	*Cliffs Natural Resources Inc. 2012 Incentive Equity Plan effective March 13, 2012 (filed as Exhibit 10.1 to Cliffs Form 8-K on May 14, 2012 and incorporated herein by reference)
10.59	*First Amendment to Cliffs Natural Resources Inc. 2012 Incentive Plan effective September 11, 2012 (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)
10.60	*Form of Cliffs Natural Resources Inc. Restricted Share Unit Award Memorandum and Restricted Share Unit Award Agreement under the 2012 Incentive Equity Plan (filed as Exhibit 10.77 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.61	*Form of Cliffs Natural Resources Inc. Restricted Share Unit Award Memorandum (Graduated Vesting 50%) and Restricted Share Unit Award Agreement under the 2012 Incentive Equity Plan (filed as Exhibit 10.78 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)

10.62	*Form of Cliffs Natural Resources Inc. Restricted Share Unit Award Memorandum (Graduated Vesting 33%) and Restricted Share Unit Award Agreement under the 2012 Incentive Equity Plan (filed as Exhibit 10.79 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.63	*Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on August 4, 2014 and incorporated herein by reference)
10.64	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Restricted Share Unit Award Memorandum (Graduated Vesting 50% - July 2014 Grant) and Restricted Share Unit Award Agreement (filed herewith)
10.65	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Restricted Share Unit Award Memorandum (3-Year Vesting - July 2014 Grant) and Restricted Share Unit Award Agreement (filed herewith)
10.66	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Share Award Memorandum (3-Year Vesting - July 2014 Grant) and Performance Share Award Agreement (filed herewith)
10.67	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Non-Qualified Stock Option Award Memorandum (2014 Grant) and Stock Option Award Agreement (filed as Exhibit 10.2 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.68	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Unit Award Memorandum (2014 Grant) and Performance Unit Award Agreement (filed as Exhibit 10.3 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.69	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Non-Qualified Stock Option Award Memorandum (3-Year Vesting - January 2015 Grant) and Stock Option Award Agreement (filed herewith)
10.70	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Restricted Share Unit Award Memorandum (Graduated Vesting 33% - January 2015 Grant) and Restricted Share Unit Award Agreement (filed herewith)
10.71	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Share Award Memorandum (3-Year Vesting - January 2015 Grant) and Performance Share Award Agreement (filed herewith)
10.72	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Restricted Share Unit Award Memorandum (Graduated Vesting 33% - February 2015 Grant) and Restricted Share Unit Award Agreement (filed herewith)
10.73	*Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Performance Share Award Memorandum (3 year Vesting - February 2015 Grant) and Restricted Share Unit Award Agreement (filed herewith)
10.74	*Cliffs Natural Resources Inc. Supplemental Retirement Benefit Plan (as Amended and Restated effective December 1, 2006) dated December 31, 2008 (filed as Exhibit 10(mmm) to Cliffs’ Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.75	** Pellet Sale and Purchase Agreement, dated and effective as of April 10, 2002, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Northshore Sales Company, International Steel Group Inc., ISG Cleveland Inc., and ISG Indiana Harbor Inc. (filed as Exhibit 10.84 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.76	** First Amendment to Pellet Sale and Purchase Agreement, dated and effective December 16, 2004 by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Cliffs Sales Company (formerly known as Northshore Sales Company), International Steel Group Inc., ISG Cleveland Inc. and ISG Indiana Harbor (filed as Exhibit 10.85 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)

10.77	** Pellet Sale and Purchase Agreement, dated and effective as of December 31, 2002 by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, and Ispat Inland Inc. (filed as Exhibit 10.86 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.78	** 2011 Omnibus Agreement, dated as of April 8, 2011 and effective as of March 31, 2011, by and among ArcelorMittal USA LLC, as successor in interest to Ispat Inland Inc., ArcelorMittal Cleveland Inc. (formerly known as ISG Cleveland Inc.), ArcelorMittal Indiana Harbor LLC (formerly known as ISG Indiana Harbor Inc.) and Cliffs Natural Resources Inc., The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company and Cliffs Sales Company (formerly known as Northshore Sales Company) (filed as Exhibit 10(a) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)
10.79	**2014 Extension Agreement dated as of February 24, 2014 but effective as of January 1, 2014, among ArcelorMittal USA LLC, Cliffs Natural Resources Inc., The Cleveland-Cliffs Iron Company and Cliffs Mining Company (filed as Exhibit 10.1 to Cliffs' Form 10-Q/A filed on October 8, 2014 for the period ended March 31, 2014 and incorporated herein by reference)
10.80	Amended and Restated Multicurrency Credit Agreement entered into as of August 11, 2011, among Cliffs, certain foreign subsidiaries of the Company from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, JPMorgan Chase Bank, N.A., as Syndication Agent and L/C Issuer, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., PNC Capital Markets Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Managers, Fifth Third Bank and RBS Citizens, N.A., as Co-Documentation Agents, and the various institutions from time to time party thereto (filed as Exhibit 10(a) to Cliffs' Form 8-K on August 17, 2011 and incorporated herein by reference)
10.81	Amendment No. 1, dated as of October 16, 2012 to Amended and Restated Multicurrency Credit Agreement (filed as Exhibit 10.1 to Cliffs' Form 8-K on October 19, 2012 and incorporated herein by reference)
10.82	Amendment No. 2 to the Amended and Restated Multicurrency Credit Agreement dated as of February 8, 2013 (filed as Exhibit 10.92 to Cliffs' Form 10-K for the period ended December 31, 2012 and incorporated herein by reference)
10.83	Amendment No. 3, dated as of June 30, 2014, to the Amended and Restated Multicurrency Credit Agreement, dated as of August 11, 2011, among Cliffs Natural Resources Inc., the foreign subsidiaries of Cliffs Natural Resources Inc. from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.1 to Cliffs' Form 8-K on June 30, 2014 and incorporated herein by reference)
10.84	Amendment No. 4, dated as of September 9, 2014, to the Amended and Restated Multicurrency Credit Agreement, dated as of August 11, 2011, among the Company, the foreign subsidiaries of the Company from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.1 to Cliffs' Form 8-K on September 12, 2014 and incorporated herein by reference)
10.85	Amendment No. 5, dated as of October 24, 2014, to the Amended and Restated Multicurrency Credit Agreement, dated as of August 11, 2011, among the Company, the foreign subsidiaries of the Company from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended on September 30, 2014 and incorporated herein by reference)
10.86	Amendment No. 6, dated as of January 22, 2015, to the Amended and Restated Multicurrency Credit Agreement, dated as of August 11, 2011, among the Company, the foreign subsidiaries of the Company from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (filed herewith)
10.87	Agreement between Cliffs Natural Resources Inc. and Casablanca Capital LP, dated October 7, 2014 (filed as Exhibit 99.1 to Cliffs' Form 8-K on October 14, 2014 and incorporated herein by reference)
12	Ratio of Earnings To Combined Fixed Charges And Preferred Stock Dividend Requirements (filed herewith)

21	Subsidiaries of the Registrant (filed herewith)
23	Consent of Independent Registered Public Accounting Firm (filed herewith)
24	Power of Attorney (filed herewith)
31.1	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves as of February 25, 2015 (filed herewith)
31.2	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Terrance M. Paradie as of February 25, 2015 (filed herewith)
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves, President and Chief Executive Officer of Cliffs Natural Resources Inc., as of February 25, 2015 (filed herewith)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Terrance M. Paradie, Executive Vice President and Chief Financial Officer of Cliffs Natural Resources Inc., as of February 25, 2015 (filed herewith)
95	Mine Safety Disclosures (filed herewith)
99(a)	Schedule II – Valuation and Qualifying Accounts (filed herewith)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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* Indicates management contract or other compensatory arrangement.

** Confidential treatment requested and/or approved as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

*** Certain immaterial schedules and exhibits to this exhibit have been omitted pursuant to the provisions of Regulation S-K, Item 601(b)(2). A copy of any of the omitted schedules and exhibits will be furnished to the Securities and Exchange Commission upon request.

EXHIBIT 2.1

ASSET PURCHASE AGREEMENT

by and among

CLIFFS NATURAL RESOURCES INC. ("Parent"),

CLIFFS LOGAN COUNTY COAL, LLC ("CLCC"),

TONEY'S FORK LAND, LLC ("TFL"),

SOUTHERN EAGLE LAND, LLC ("SEL"),

CLIFFS LOGAN COUNTY COAL TERMINALS, LLC ("CLCCT")

and

CORONADO COAL II, LLC ("Purchaser")

Dated as of December 2, 2014

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is dated as of December 2, 2014, and is made and entered into by and among **CLIFFS NATURAL RESOURCES INC.**, an Ohio corporation ("Parent"), **CLIFFS LOGAN COUNTY COAL, LLC**, a Delaware limited liability company (" CLCC"), **TONEY'S FORK LAND, LLC,** a Delaware limited liability company ("TFL"), **SOUTHERN EAGLE LAND, LLC**, a Delaware limited liability company (" SEL"), **CLIFFS LOGAN COUNTY COAL TERMINALS, LLC**, a Delaware limited liability company ("CLCCT" and together with CLCC, TFL and SEL collectively the " Sellers" and individually a "Seller"), and **CORONADO COAL II, LLC,** a Delaware limited liability company ("Purchaser").

WHEREAS, Parent is the ultimate parent entity of Sellers;

WHEREAS, Purchaser desires to purchase from Sellers, and Sellers desires to sell and assign to Purchaser, upon the terms and conditions hereinafter set forth, substantially all of the assets of Sellers;

WHEREAS, concurrently with the execution of this Agreement, and as a condition and inducement to Sellers and Parent to enter into this Agreement, Coronado Coal, LLC, a Delaware limited liability company ("Coronado"), is entering into a limited guarantee in favor of Seller and Parent with respect to the obligations of Purchaser under this Agreement (the "Limited Guarantee"), which Limited Guarantee is attached as Exhibit A; and

WHEREAS, Parent and Sellers believe it is in the best interest of Parent and Sellers to consummate the transactions contemplated in this Agreement

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements set forth below the parties agree as follows:

DEFINED TERMS

1 . 1 Basic Terms . For purposes of this ARTICLE 1 and this Agreement, the following definitions shall apply (and capitalized terms used in such definitions have the meanings assigned in ARTICLE 1 or in the introductory paragraphs preceding ARTICLE 1):

1.1.1 "Accounts Receivable" means all of each Seller's rights to receive payments for coal, goods and other products sold that arose from completed bona fide arm's-length transactions occurring on or prior to the Closing Date with respect to the Business or the Assets or from the sale of coal in transit on or prior to the Closing Date.

1.1.2 "Action" means any claim, action, cause of action, demand, lawsuit, arbitration, formal inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.1.3 "Active Employee" means any employee of a Seller who is employed in the Business on the Closing Date, including, in each case, those employees (i) who are temporarily absent due to vacation, jury duty, FMLA, pregnancy, parental and bereavement leave, scheduled time off, or illness or injury leave in compliance with the applicable written policies of Sellers or (ii) who are receiving workers' compensation payments as required by Law and have the right to re-employment by Sellers in accordance with applicable Law.

1.1.4 "Affiliates" means with respect to a Person, a Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with that Person.

1.1.5 "Assets" means all of each Seller's assets, properties and rights of every kind and nature, whether real, personal, or mixed, tangible or intangible, wherever located and whether now existing or hereafter acquired other than the Excluded Assets and including without limitation: the following:

(a) all Intellectual Property assets owned by each Seller or, to the extent located on or at the Real Property or used primarily in the Business and licensed from a third party by any Seller (but excluding any Intellectual Property that will be licensed to Purchaser pursuant to the Transition Services Agreement);

(b) [Intentionally Omitted];

(c) all revenue generating Contracts and all of each Seller's contract rights and general intangibles arising thereunder, including all Contracts for the sale of coal set forth on Schedule 8.7;

(d) the Miscellaneous Contracts and all of each Seller's contract rights and general intangibles arising thereunder;

(e) the Equipment and Fixed Assets and all of each Seller's rights under warranties, indemnities, licenses, and all similar rights against third parties with respect to the Equipment and Fixed Assets;

(f) the Permits and Licenses and all bonds (to the extent transferable) of each Seller related thereto, and any and all other permits and licenses used in the operation of the Business;

(g) the Owned Real Property;

(h) the Leases (including, all prepaid royalties and un-recouped minimum royalties thereunder) subject to the appropriate Consents;

(i) all outstanding deposits, prepaid revenue (which may appear as deferred revenues on each Seller's financial statements), prepaid expenses and other prepayments (other than with respect to prepayments for insurance policies), and any other sums previously paid by or to each Seller with respect to periods after the Closing Date;

(j) all personnel records of employees of each Seller who become employed by Purchaser, customer lists, mailing lists and all accounting, sales, pricing, asset maintenance/repair and other data, files, records and reports relating to the Assets, Business or the Assumed Liabilities;

(k) all non-enterprise software (to the extent assignable to Purchaser) and computer hardware owned by any Seller and in place at the Real Property;

(l) the right to use all telephone numbers (to the extent assignable) that Sellers use primarily in the conduct of the Business;

(m) all Accounts Receivable; and

(n) all rights of any Seller to use haul roads, utility easements and other rights of way and easements used in the operation of the Business.

1.1.6 "Assumed Contracts" means the Miscellaneous Contracts, Leases, Contracts set forth in Section 1.1.5(c) and all other Contracts assumed by Purchaser pursuant to the terms of this Agreement.

1.1.7 "Assumed Liabilities" has the meaning set forth in Section 2.2.

1.1.8 "Baisden-Vaughan Lease" means that certain agreement of lease between Katherine Vaughan White et al. and Elkay Mining Company dated June 19, 1978, as amended and assigned.

1.1.9 "Base Purchase Price" has the meaning set forth in Section 2.4.1.

1.1.10 "Basket" has the meaning set forth in Section 11.4.2.

1.1.11 "Business" means the surface and underground coal mines and related operations owned or operated by each Seller.

1.1.12 "Business Confidential Information" has the meaning set forth in Section 14.5.

1.1.13 "Claim Amount" has the meaning set forth in Section 2.8.

1.1.14 "Claim Notice" has the meaning set forth in Section 2.8.

1.1.15 "Closing" has the meaning set forth in Section 4.1.

1.1.16 "Closing Date" has the meaning set forth in Section 4.1.

1.1.17 "Closing Date Working Capital" means an amount equal to the difference between Current Assets and Current Liabilities. If Current Assets exceed Current Liabilities, Closing Date Working Capital shall be a positive number. If Current Liabilities exceed Current Assets, Closing Date Working Capital shall be a negative number. In determining Closing Date Working Capital, Current Assets and Current Liabilities shall be derived solely from the Closing Date Balance Sheet as finally determined pursuant to this Agreement and in accordance with GAAP.

1.1.18 "Coal Act" means the Coal Industry Retiree Health Benefit Act of 1992, all amendments thereto (including but not limited to the Tax Relief and Retiree Health Care Act of 2006), all other statutory provisions codified at Subtitle J, Chapter 99 of the Internal Revenue Code (26 U.S.C. Sections 9701, *et seq*.) and all regulatory or other guidance issued thereunder.

1.1.19 "Coal Inventory" means collectively the Raw Coal and Finished Goods Coal.

1.1.20 "Code" means the Internal Revenue Code of 1986, as amended.

1.1.21 "Company Transaction Expenses" means without duplication and determined as of the close of business on the Closing Date, any fees and expenses payable by any Seller or Parent to any investment banker, broker or similar Person in connection with the Contemplated Transactions, any transaction-related third party expenses that any Seller or Parent incur in connection with the negotiation of this Agreement and the consummation of the Transactions for accounting, legal and tax services and financial advisors and any transaction bonuses, change of control payments, severance payments or other similar payments payable in connection with the Transactions.

1.1.22 "Continuing Employee" means each former employee of any Seller that is actively employed by Purchaser during the period on or after the Closing Date.

1.1.23 "Contract" means any agreement, contract, lease, consensual obligation, promise, commitment, or undertaking (whether written or oral and whether express or implied).

1.1.24 "Current Assets" means the following assets of each Seller of the type identified on Schedule 2.5.3 (in the determination of Closing Date Working Capital), which include, without limitation: (a) Coal Inventory, (b) Accounts Receivable, (c) Parts and Supplies Inventory, all as of the close of business on the Closing Date, in each case, without duplication, and as determined in accordance with GAAP.

1.1.25 "Current Liabilities" means the following liabilities of each Seller of the type identified on Schedule 2.5.3 (in the determination of Closing Date Working Capital), which include, without limitation: (a) the accounts payable that are included in the Assumed Liabilities, (b) the reserve or allowance for doubtful accounts, and (c) any property Taxes or other Taxes (including the West Virginia Severance or State Production Tax) related to the Real Property for any Pre-Closing Tax Period that have accrued but not yet been paid and which are included in the Assumed Liabilities, all as of the close of business on the Closing Date, in each case, without duplication, and as determined in accordance with GAAP.

1.1.26 "Disclosure Schedules" means the schedules of exceptions to the representations and warranties of Sellers and Parent set forth in ARTICLE 8.

1.1.27 "Employee Benefit Plan" means any (i) nonqualified deferred compensation or retirement plan or arrangement, (ii) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (iii) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (iv) Employee Welfare Benefit Plan or material fringe benefit plan or other retirement, bonus or incentive plan or program, including, without limitation, any plan, program, policy, contract or arrangement (not including any collective bargaining agreement) providing for bonuses, pensions, deferred pay, stock or stock related awards, severance pay, salary continuation or similar benefits, hospitalization, medical, dental or disability benefits, life insurance or other employee benefits, or compensation, whether or not insured or funded, which is sponsored or maintained by or pursuant to which any Seller or any ERISA Affiliate has any Liability or which constitute an employment or severance agreement or arrangement currently in effect with any employee, officer or director of any Seller or any ERISA Affiliate.

1.1.28 "Employee Pension Benefit Plan" has the meaning set forth in ERISA Section 3(2).

1.1.29 "Employee Welfare Benefit Plan" has the meaning set forth in ERISA Section 3(1).

1.1.30 "Encumbrance" means any security interest, mortgage, easement, encroachment, right of way, lien, charge, pledge, condition, equitable interest, option, right of first refusal, adverse claim or restriction of any kind.

1.1.31 "Environment" means soil, land, surface, subsurface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, and wetlands), groundwater, drinking water supply, ambient air, plant and animal life, and any other environmental medium or natural resource.

1.1.32 "Environmental Claim" means any claim, Action, or notice by any Person, to the extent directed to or against any Seller or any Affiliates of any Seller, alleging actual or potential Liability for investigatory, cleanup or response action or costs, or natural resource or property damage, or personal injuries, attorney's fees or penalties relating to (i) the presence, or release into the Environment of any Hazardous Materials, or (ii) any violation, or alleged violation, of any Environmental Law.

1.1.33 "Environmental Condition" means the release of Hazardous Materials (i) prior to the Closing Date on or from the Real Property or (ii) on or from any other locations if the Hazardous Material(s) was generated, used, treated, stored, transported or disposed of by or on behalf of the Business or in connection with the Real Property prior to the Closing Date.

1.1.34 “Environmental Laws” means any Laws that require or relate to: (i) advising appropriate Governmental Authorities, employees or the public of intended or actual releases of Hazardous Materials, violations of discharge limits or other prohibitions or of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment; (ii) preventing or reducing to acceptable levels the release of Hazardous Materials into the Environment; (iii) reducing the quantities, preventing the release or minimizing the hazardous characteristics of wastes that are generated; (iv) protecting the Environment, natural resources, species or the restoration of the Environment or natural resources; (v) reducing to acceptable levels the risks inherent in the transportation of Hazardous Materials or other potentially harmful substances; (vi) cleaning up Hazardous Materials that have been released, preventing the threat of release or paying the costs of such clean up or prevention; (vii) the promotion of safe and healthful working conditions and to reduce occupational safety and health hazards; or (ix) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets. “Environmental Laws” shall include, without limitation, CERCLA or any successor Laws, the Resource Conservation and Recovery Act, as amended §§ 42 U.S.C. 6901 et seq. (“ RCRA”) or any successor Laws and the Surface Mining Control and Reclamation Act (“SMCRA”) or any successor Laws; the Toxic Substances Control Act, 15 U.S.C. §§2601, et seq. (“TSCA”), the Safe Drinking Water Act, 42 U.S.C. §§300g, et seq., the Clean Water Act, 33 U.S.C. §§1251, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §§1801, et seq., the Clean Air Act, 42 U.S.C. §§7401 et seq., the Endangered Species Act, 16 U.S.C. §§1501 et seq.; all similar state Laws; and shall further include all applicable Laws relating to pollution or protection of human health or the Environment, relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials.

1.1.35 “EPA” means the Environmental Protection Agency.

1.1.36 “Equipment and Fixed Assets” means all equipment and other tangible assets owned by any Seller, other than Real Property.

1.1.37 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

1.1.38 “ERISA Affiliate” means each entity which is treated as a single employer with any Seller or Parent under Code Section 414 or Section 4001(14) of ERISA.

1.1.39 “Escrow Agent” means U.S. Bank, NA or any other Person that is mutually acceptable to the Parties.

1.1.40 “Escrow Agreement” means the Escrow Agreement to be entered into at the Closing among Purchaser, Sellers, Parent and the Escrow Agent, which Escrow Agreement shall be in a form and substance reasonably acceptable to the Parties.

1.1.41 “Escrow Amount” means $17,500,000 less the Regulatory Escrow Amount.

1.1.42 “Escrow Fund” has the meaning set forth in Section 2.7.

1.1.43 “Escrow Release Date” has the meaning given in Section 2.8.

1.1.44 “Excluded Assets” means the following assets of each Seller: (i) all cash, cash equivalents and marketable securities; (ii) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of any Seller; (iii) all insurance policies and benefits; (iv) all claims for refund of Taxes and other governmental charges of whatever nature; (v) all of each Seller’s interest in any Affiliates of that Seller; (vi) all rights, which accrue or will accrue, to Sellers under this Agreement and any other agreement that is contemplated in this

Agreement to be delivered at the Closing; (vii) all bank accounts of each Seller; (viii) all Contracts other than the Assumed Contracts; (ix) the Parent Marks and Websites; (x) any accounts receivables from any Affiliate of any Seller that is not a Seller; (xi) all prepayments made for insurance policies; (xii) all enterprise software (including licenses) and computer hardware used in the Business that is not owned by Seller nor located on or at the Real Property; and (xiii) all items listed on Schedule 1.1.44 hereto.

1.1.45 "Excluded Liabilities" has the meaning set forth in Section 2.3.

1.1.46 "Final Tax Allocation Statement" has the meaning set forth in Section 2.4.2.

1.1.47 "Financial Statements" has the meaning assigned to such term in Section 8.4 of this Agreement.

1.1.48 "Finished Goods Coal" means the Tons of stockpiled coal located on properties owned, leased, operated or controlled by or on behalf of any Seller, other than Raw Coal, which are of suitable quality on a standalone or blended basis (with other available existing stockpiled coal) to be sold without processing, with each such Ton being valued in accordance with GAAP.

1.1.49 "Fundamental Reps" means the representations and warranties of Sellers and Parent set forth in Sections 8.1, 8.2, 8.3(i) and (iv), 8.6.1(a) and 8.27 and the representations and warranties of Purchaser set forth in Sections 9.1, 9.2, 9.3 and 9.5.

1.1.50 "GAAP" means generally accepted accounting principles in the United States, consistently applied.

1.1.51 "Governmental Authority" means any nation or federal, national, supranational, state, provincial, municipal, local, special purpose, or similar government, unit of government, or governmental, regulatory or administrative authority or entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission, court, tribunal, judicial or arbitral body or instrumentality of the United States or any State or any municipality of the United States.

1.1.52 "Guarantees" has the meaning set forth in Section 10.13.

1.1.53 "Hazardous Materials" means any substance, material, or waste that is regulated by any Governmental Body, including any material, substance, or waste that is defined or classified as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "pollutant," "restricted hazardous waste," "contaminant," "toxic waste," "pollutant," or "toxic substance" under any provision of Environmental Law, including, without limitation, petroleum, petroleum products, asbestos, presumed asbestos-containing material or asbestos-containing material, urea formaldehyde, or polychlorinated biphenyls acids, asbestos, PCBs, radon, nuclear materials and natural gas.

1.1.54 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

1.1.55 "Independent Accountant" means BDO USA, LLP.

1.1.56 "Indebtedness" means with respect to each Seller and their respective subsidiaries all of the following: (i) Liabilities for borrowed money, (ii) Liabilities evidenced by a bond, note, debenture or similar instrument (including a purchase money obligation, deed of trust or mortgage), (iii) outstanding Liabilities in respect of letters of credit and "swaps" of interest and currency exchange rates (and other interest and currency rate hedging agreements), including any breakage costs, (iv) Liabilities under conditional sale, title retention or other Contracts creating an obligation of any Seller with respect to the deferred purchase price of property (other than customary trade credit), (v) capital leases, (vi) Liabilities with respect to any factoring programs, (vii) for Contracts relating to interest rate protection, swap agreements and collar agreements, (viii) interest, fees, prepayment penalties or premiums and other expenses owed with respect to any indebtedness, Liabilities and/or obligations of the type referred to in clauses (i) through (vii) above (including any such amounts that would be required to pay off any Indebtedness at Closing) and (ix) all obligations of a Seller to guarantee any of the foregoing types of obligations on behalf of any Person. For the avoidance of doubt, the term "Indebtedness" does not include trade account payables of a Seller.

1.1.57 "Indemnified Party" has the meaning set forth in Section 11.5.1.

1.1.58 "Indemnifying Party" has the meaning set forth in Section 11.5.1.

1.1.59 "Initial Tax Allocation Statement" has the meaning set forth in Section 2.4.2.

1.1.60 "Intellectual Property" means, with respect to Sellers, all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the applicable Laws of any jurisdiction throughout the world: (i) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services or the origin thereof, whether registered, unregistered or arising by applicable Laws, and all registrations and applications for registration of such trademarks, including intent-to-use applications, and all issuances, extensions and renewals of such registrations and applications, including any goodwill associated with any of the foregoing; (ii) internet domain names, whether or not trademarks, registered in any generic top level domain by any authorized private registrar or Governmental Authority; (iii) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered, unregistered or arising by applicable Laws), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (iv) confidential information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable; (v) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations and renewals of such patents and applications; and (vi) and all computer programs, whether in source code or object code, other than non-customized or off-the-shelf software, and all documentation including user manuals and other training documentation related to any of the foregoing in the possession of, under the control of, or used by any Seller in connection with the Business.

1.1.61 "Interim Balance Sheet" has the meaning set forth in Section 8.4.

1.1.62 "Interim Balance Sheet Date" has the meaning set forth in Section 8.4.

1.1.63 "Kinder Morgan Contract" means that certain terminal services agreement dated November 30, 2012 between Cliffs Logan County Coal, LLC, Cliffs North American Coal, LLC and Kinder Morgan Operating L.P. "C" (as amended).

1.1.64 "Law" or "Laws" means any law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in the United States, any other country, or any domestic or foreign state or province, county, city or other political subdivision or of any Governmental Authority, including any local, state or federal regulatory agencies, such as, but not limited to, MSHA, WVOMSHT or WVDEP.

1.1.65 "Leases" means the real property leases, assignments and subleases to which any Seller is a party, together with any and all underground and surface coal reserves, mineral rights, mining rights, surface rights, fixtures and improvements set forth in such leases and subleases.

1.1.66 "Leased Real Property" means all real property and other rights, including all coal reserves or other mineral or gas reserves, leased or subleased by any Seller pursuant to the Leases.

1.1.67 "Liabilities" means all existing or future liabilities, debts, obligations, duties, or adverse claims of any Seller of every type and trade, whether matured or unmatured, fixed or contingent, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, direct or indirect, or otherwise in respect of any and all matters or events, including without limitation, those arising under Law, or imposed by any court or arbitrator of any kind, and those arising in connection with coal or other products sold, Contracts, Leases, commitments or undertakings, including all liabilities arising out of or related to the sponsorship of, the responsibility for, contributions to, or any liability in connection with any Employee Benefit Plan maintained or contributed to by or on behalf of any Seller. Without limiting the foregoing, Liabilities shall include any continuation coverage (including any penalties, excise Taxes or interest resulting from the failure to provide continuation coverage) required by Law due to qualifying events, including continuing coverage for each Seller's employees terminated prior to the Closing Date and/or whose employment is terminated in connection with the Transactions, or who were not hired by Purchaser in connection with the Transactions, which occur on or before the Closing Date whether or not said Liabilities are reflected on the books of any Seller.

1.1.68 "Litigation" has the meaning assigned to such term in Section 8.17.1 .

1.1.69 "Loss(es)" means all losses, Liabilities, obligations, damages, deficiencies, expenses, Actions, suits, proceedings, demands, assessments, interest, awards, penalties, fines, costs and expenses of whatever kind (including reasonable attorneys' fees, court costs, expert witness fees, transcript costs and other expenses of litigation, costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers) and judgments (at law or in equity) of any nature (but excluding any punitive damages, consequential damages, special damages or exemplary damages except to the extent that a Purchaser Indemnified Party actually pays such amounts to a third party).

1.1.70 "Material Adverse Change" means any effect, change or circumstance that has been, or is reasonably expected to be, individually or collectively, materially adverse to the Business, Assets, Assumed Liabilities or operations of any Seller or the financial condition of Sellers altogether, except the following shall not be deemed to constitute, and shall not be taken into account in determining whether there has been a Material Adverse Change: any adverse change, event, development, or effect arising from or relating to (1) general business or economic conditions; (2) the steel or coal industry generally, including, without limitation, a decline in prices or demand for coal or steel, increases in costs of transportation and raw materials, and labor shortages; (3) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States; (4) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (5) changes in United States generally accepted accounting principles; or (6) changes in Laws applicable solely to the mining industry as a whole.

1.1.71 "Material Contracts" has the meaning assigned to such term in Section 8.7 .

1.1.72 "Miscellaneous Contracts" means the Contracts listed on Exhibit B.

1.1.73 "MSHA" means the Mine Safety and Health Administration.

1.1.74 "Multiemployer Plan" has the meaning as defined in Section 4001(a)(3) of ERISA.

1.1.75 "Owned Real Property" means that real property which is owned by any Seller, together with all of such Seller's right, title and interest in and to the following, as relates to such real property, and with respect to such real property: (i) all coal reserves or other mineral or gas reserves, (ii) all buildings, structures and improvements located on such real property owned by any Seller, (iii) all improvements, fixtures, mine infrastructure, preparation plant structures and improvements, loadout structures and improvements, rail sidings, machinery, apparatus or equipment affixed to such real property for which any

Seller owns or has rights to use, (iv) all rights of way, easements, if any, in or upon such real property owned by any Seller and all right-of-way and other rights and appurtenances belonging or in any way pertaining to such real property owned by any Seller (including the right, title and interest of any Seller in and to any coal reserves, mineral rights, underground and surface coal and mining rights, royalty rights, support rights and waivers, subsidence rights or water rights relating or appurtenant to such real property owned by any Seller), and (v) all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining such real property owned by any Seller.

1.1.76 "Parent" means Cliffs Natural Resources Inc.

1.1.77 "Parent Marks and Websites" means the trademarks, service marks, trade names, brand names, logos, domain names and websites of Parent or its Affiliates (other than any Seller) which are used in the Business and are set forth on Schedule 1.1.77.

1.1.78 "Parts and Supplies Inventory" means spare parts and supplies of any Seller that are located in any of the warehouse facilities and supply yards that any Seller uses for the Business as of the Closing Date that are useable and not obsolete and valued in accordance with GAAP.

1.1.79 "Party" and "Parties" means the Purchaser, Parent and Sellers, collectively the "Parties," and individually, a "Party".

1.1.80 "Permits" and "Licenses" has the meanings assigned to such terms in Section 8.19.1.

1.1.81 "Permit Operating Agreement" means the Permit Operating Agreement to be entered into at the Closing among Greenbrier Minerals, LLC and Sellers substantially in the form of Exhibit C.

1.1.82 "Permitted Encumbrances" means (i) real estate taxes and assessments both general and special, which are an Encumbrance but are not due and payable or are being contested in good faith at the time of the Closing and are set forth on Schedule 1.1.82; (ii) any Encumbrances consisting of zoning restrictions on the Real Property; (iii) covenants, restrictions, encroachments, rights of way, licenses, and easements and similar Encumbrances on the Real Property imposed by Law or arising in the ordinary course of business that do not materially detract from the value of the affected Real Property or do not materially interfere with the ordinary conduct of the Business of Sellers; (iv) Encumbrances under the terms of the Leases for royalty, payment obligations, and other contractual obligations to the lessors under the Leases, but only to the extent such obligations constitute an Encumbrance not yet payable; (v) Encumbrances imposed by Law and incurred in the ordinary course of business, such as carriers', warehousemens', landlords', and mechanics' liens and other similar liens arising in the ordinary course of business (provided lien statements have not been filed or such Encumbrances are not otherwise perfected); (vi) rights and interests of owners of interests in the surface of any Real Property where a Seller does not own or lease such surface interest; (vii) rights of owners of interests in coal or other minerals (including oil and gas) where a Seller does not own or lease such minerals; and (viii) Encumbrances consisting of rights of others for subjacent or lateral support.

1.1.83 "Person" means any individual, corporation, limited liability company or partnership, general or limited partnership, joint venture, trust, estate, legal person, association, unincorporated organization, labor union, other entity or Governmental Authority.

1.1.84 "Pre-Closing Tax Period" means all Tax periods ending on or before the Closing Date or the portion of any Tax period that includes the Closing Date that relates to the period on and before the Closing Date.

1.1.85 "Purchase Price" has the meaning assigned to it in Section 2.4.1.

1.1.86 "Purchaser" means Coronado Coal II, LLC.

1.1.87 "Purchaser Indemnified Party" has the meaning assigned to such term in Section 11.2.

1.1.88 "Raw Coal" means unprocessed coal severed and located in stockpiles on the Real Property, which requires processing, with each such Ton being valued in accordance with GAAP.

1.1.89 "Regulatory Escrow Amount" means $3,000,000.

1.1.90 "Reference Date" has the meaning assigned to it in Section 8.5.

1.1.91 "Real Property" means the Owned Real Property and Leased Real Property.

1.1.92 "Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

1.1.93 "Seller" and "Sellers" have the meaning as set forth in the first paragraph of this Agreement.

1.1.94 "Seller Indemnified Party" has the meaning assigned to such term in Section 11.3.

1.1.95 "Seller's Knowledge" means the actual knowledge of William McFadden, David Webb, Gary Corns and Mark Nelson and the knowledge of such individuals would have acquired after reasonable diligent inquiry with the relevant executive management level employees of each Seller or their respective Affiliates.

1.1.96 "Target Base Working Capital" means $21,500,000.

1.1.97 "Tax" or "Taxes" means any tax (including any income tax, capital gains tax, value added tax, sales or use tax, real or personal property tax, severance tax, unmined mineral tax, coal severance tax, gift tax, franchise tax, estate tax, production tax, gross receipts tax, license tax, inventory tax, payroll tax, employment tax, excise tax, stamp tax, occupation tax, occupancy tax, premium tax, windfall profits tax, environmental tax, business tax, capital stock tax, franchise tax, profits tax, payroll tax, withholding tax, social security (or similar) tax, unemployment tax, unclaimed property or escheat tax or other assessment, disability tax, Transfer Tax, intangibles tax, registration tax, alternative or add-on minimum tax, goods and services tax, net worth tax, employer health tax, estimated tax and all other taxes of any kind whatsoever), levy, assessment, tariff, duty (including any customs duty), impost, toll, deficiency, charge, levy, impost, assessment, or other fee, and any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any Governmental Authority or otherwise payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee.

1.1.98 "Tax Return" means any return, declaration, report or other information or statement (including any amendments or attachments thereto) required to be supplied to a Governmental Authority with respect to Taxes.

1.1.99 "Third Party Claim" has the meaning assigned to such term in Section 11.5.1.

1.1.100 "Ton" means 2,000 pounds.

1.1.101 "Transactions" means all the transactions provided for or contemplated by this Agreement.

1.1.102 "Transfer Taxes" means all sales, use, value-added, transfer, deed, deed stamp, recording, privilege, documentary, gains, gross receipts, registration, conveyance, excise, license, stamp, duties or similar Taxes and fees.

1.1.103 "Transition Services Agreement" means the Transition Services Agreement to be entered into at the Closing among Purchaser, Sellers and Parent, which shall be in a form and substance reasonably acceptable to the Parties.

1.1.104 "Unaudited Financial Statements" has the meaning set forth in Section 8.4.

1.1.105 "WARN" means the Worker Adjustment and Retraining Notification Act.

1.1.106 "WVDEP" means the West Virginia Department of Environmental Protection.

1.1.107 "WVOMHST" means the West Virginia Office of Miners Health Safety and Training.

1.1.108 Year-End Financial Statements" has the meaning set forth in Section 8.4.

1.2 Certain Other Defined Terms. In addition to the capitalized terms defined in Section 1.1 and in the introductory paragraphs preceding Section 1.1, certain capitalized terms are defined in other sections of the Agreement and all such terms shall have the meanings assigned to them in this Agreement.

1.3 Interpretation.

1.3.1 When a reference is made in this Agreement to a section, article, paragraph, exhibit, schedule or the like, such reference shall be to a section, article, paragraph, exhibit, schedule or the like contained within this Agreement unless otherwise clearly indicated to the contrary.

1.3.2 Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

1.3.3 The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

1.3.4 The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

1.3.5 A reference to any Party to this Agreement or any other agreement or document shall include such Party's permitted successors and assigns.

1.3.6 A reference to any agreement or other document shall be deemed to include all amendments and other modifications thereto that are in effect as of the Closing Date.

1.3.7 A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefore and all regulations and statutory instruments issued thereunder or pursuant thereto as of the date of this Agreement, unless otherwise clearly indicated to the contrary.

1.3.8 The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

1.3.9 To the extent that any disclosure set forth in any particular Disclosure Schedule hereto is applicable to the disclosure required to be made in any other Disclosure Schedule, such disclosure shall for purposes of this Agreement be deemed to be made on all relevant Disclosure Schedules to the extent that such disclosure is reasonably sufficient so that the relevance of such disclosure to such other section would be reasonably apparent on its face to a reader of such disclosure.

1.3.10 Sellers and Parent shall be deemed to comply with any representation or warranty in ARTICLE 8 relating to making available or delivering to Purchaser any document, instrument or agreement if Sellers or Parent load such document, instrument or agreement on to the electronic data room that was used by the Parties for purposes of due diligence review and provides access to Purchaser and its representatives to such document, instrument or agreement after it is posted to such electronic data room.

ARTICLE 2 SALE AND PURCHASE OF ASSETS

2.1 Sale and Transfer of Assets. Subject to the terms and conditions of this Agreement, on the Closing Date and at the Closing provided for in ARTICLE 4, Purchaser shall buy from Sellers, and Sellers shall sell, assign, transfer, convey and deliver to Purchaser (or its designee), free and clear of any Encumbrances other than Permitted Encumbrances, all of each Seller's right, title and interest in, to and under the Assets in accordance with the terms of this Agreement, for the Purchase Price, subject to the adjustments as set forth in this Agreement. It is the intention of the Parties that the Purchaser acquire all assets, properties and rights necessary for the operation of the Business, including, without limitation, all mining, processing, loading, transporting and selling of coal, but excluding the Excluded Assets. If after Closing, it is discovered that certain assets, properties, rights or Permits, including without limitation any Contracts, fractional real property interests, owned, leased or subleased by any Seller or any Affiliate of any Seller or Parent, other than the Excluded Assets, or any Contract to which a Seller is a party and was not an Assumed Contract, were not included in the Assets sold to Purchaser, and such Contracts, assets, properties or rights are needed by Purchaser in the operation of the Business, including without limitation, all mining, processing, loading, transporting, and selling of coal, then, upon the request of Purchaser, each Seller and Parent shall, and each Seller and Parent shall cause their respective Affiliates to, convey or lease or sublease, as applicable and at no additional cost to Purchaser, such Contracts, assets, properties, rights or Permits to the Purchaser; provided however, this obligation shall not include the conveyance or lease or sublease of any Excluded Asset.

2.2 Assumed Liabilities. Except for the obligations specifically assumed by Purchaser in this Section 2.2, Purchaser shall not be deemed to have assumed or agreed to be responsible for Liabilities of any Seller, Parent or any of their respective Affiliates, whether or not arising out of the ownership and operation of the Assets or the Business. At the Closing, Purchaser shall assume, become obligated for, and agree to pay and perform when due, only the following Liabilities (collectively, the "Assumed Liabilities"), and no other Liabilities:

2.2.1 all of each Seller's obligations arising after the Closing Date under the Assumed Contracts, other than any obligations arising due to (i) any failure to perform, improper performance, breach of warranty or other breach, default or violation by any Seller on or prior to the Closing Date or (ii) any event or circumstance which occurred or failed to occur on or prior to the Closing Date (other than with respect to the Kinder Morgan Contract and to the extent that any such obligation relates to Purchaser's operation of the Business after the Closing Date for which sub-clause (ii) shall not apply);

2.2.2 all obligations under the Permits, bonds related thereto, and Licenses arising out of or relating to all reclamation and post mining Liabilities related to the Real Property, other than the obligations of any Seller to any violations of any Environmental Law, Permit or License that occurred on or prior to the Closing Date, including those violations disclosed on Schedule 8.18, and to pay any fines or penalties associated with those violations;

2.2.3 Seller's accounts payable of the type or category accounted for on Schedule 2.5.3;

2.2.4 any property Taxes or other Taxes (including the West Virginia Severance or State Production Tax) related to the Real Property for any Pre-Closing Tax Period that have accrued but not yet been paid and are included as Current Liabilities set forth in the Closing Date Working Capital; and

2.2.5 all Liabilities of any kind or character resulting from or arising in connection with (i) except to the extent such Liability is an Excluded Liability, Purchaser's use, operation, possession or ownership of or interest in the Assets or (ii) subject to ARTICLE 13, Purchaser's post Closing employment of any of the Continuing Employees but expressly excluding any obligations for wages or benefits which accrued or are attributable to events which occurred prior to Closing, in both cases, following the Closing Date.

2.3 Excluded Liabilities. Purchaser shall not assume or become liable for, and the Assumed Liabilities shall not include, any Liabilities of any Seller, Parent or any Affiliate of any Seller or Parent, whether or not related to the Assets or the Business, except for the Assumed Liabilities. The Liabilities of each Seller, Parent and their respective Affiliates not assumed by Purchaser shall be retained by each Seller respectively and are referred to as "Excluded Liabilities". Sellers and Parent shall, and shall cause each of their respective Affiliates to, pay and satisfy in due course all Excluded Liabilities which they are obligated to pay and satisfy. Without limiting the generality of the preceding sentence, the Excluded Liabilities include the following, except to the extent, if any, expressly included in the Assumed Liabilities:

2.3.1 Company Transaction Expenses;

2.3.2 any Liabilities relating to or arising out of the Excluded Assets;

2.3.3 any Liabilities arising out of, in respect of or in connection with the failure by any Seller to comply with any Permit, License, applicable Law or order by any Governmental Authority including without limitation any such obligations or Liabilities arising as a result of any Seller's failure to comply with the terms of any of the Permits, bonds related thereto, Licenses or any Laws as applicable to any Seller's operations on or prior to the Closing Date and all related fines, penalties, fees and associated interest or charges related thereto imposed by any Governmental Authority (including MSHA, WVDEP and the WVOMHST), but excluding all obligations under the Permits, bonds related thereto, and Licenses arising from or relating to all reclamation and post mining Liabilities related to the Real Property that are expressly included in the Assumed Liabilities;

2.3.4 any Indebtedness;

2.3.5 any Liabilities for intercompany obligations between a Seller and any Affiliates of any Seller;

2.3.6 any Liability under the Assumed Contracts arising out of or relating to (i) breaches or defaults thereunder occurring on or prior to the Closing Date or (ii) any event or circumstance which occurred or failed to occur on or prior to the Closing Date (other than with respect to the Kinder Morgan Contract and to the extent that any such Liability relates to Purchaser's operation of the Business after the Closing Date for which sub-clause (ii) shall not apply);

2.3.7 any Liability related to any accounts payable that are not Assumed Liabilities;

2.3.8 any Liability related to or arising from any mining activities or operations conducted by any Seller or any Affiliates of any Seller on any real property now or formerly owned, leased or subleased by any Seller or any Affiliates of any Seller, which is not included in the Assets;

2.3.9 any Liability with respect to any coal or other goods shipped or sold or any service provided by any Seller or its Affiliates, to the extent arising out of or related to events occurring on or prior to Closing, including any such Liability or obligation (i) pursuant to any express or implied representation, warranty, agreement, coal specification undertaking or guarantee made by any Seller, or any Affiliate of any Seller, or alleged to have been made by any Seller or any Affiliate of any Seller, (ii) imposed or asserted to be imposed by operation of Law or (iii) pursuant to any doctrine of product liability;

2.3.10 any Liability with respect to any litigation to the extent arising out of or relating to the operation of the Business or pertaining to the Assets on or prior to Closing, including the Litigation;

2.3.11 any Liability to the extent attributable to (i) any Environmental Condition or (ii) any Environmental Claim or non-compliance with any Environmental Laws, in each case, resulting from any events, acts or omissions occurring or obligations or conditions existing on or before the Closing Date, including but not limited to the violations or matters listed on Schedule 8.6.5 but, excluding all obligations under the Permits, bonds related thereto, and Licenses arising from or relating to all reclamation and post mining Liabilities related to the Real Property that are expressly included in the Assumed Liabilities;

2.3.12 subject to Purchaser's obligations under Section 13.2.2, any Liability that relates to any employee or inactive employee of any Seller arising out of or relating to events occurring on or prior to the Closing Date including any Liability with respect to any notification requirements under the WARN Act or any similar Law, any Liability or obligation under COBRA, severance pay and other Liabilities arising out of such employment and termination of such employment and all accrued compensation, vacation pay, sick pay and other benefits with respect to such employees;

2.3.13 any and all amounts for which any Seller, Parent, any Affiliate of any Parent or Seller or any ERISA Affiliate may be liable (i) with respect to individuals who are not employees of, or otherwise providing services to, the Business; or (ii) subject to Purchaser's obligations under Section 13.2.2, with respect to employees of, or other service providers to, the Business with respect to services performed before the Closing; (iii) under any Employee Benefit Plan or violations of any applicable laws related to Employee Benefit Plans, including, without limitation ERISA and the Coal Act; and (iv) under any National Bituminous Coal Wage Agreement or any other collective bargaining agreement, works council agreement or similar agreement with the United Mine Workers of America to which any Seller, Parent, ERISA Affiliate or any Affiliate of any Seller or Parent is a party, including but not limited to: (x) any Liability for or related to a complete, partial or mass withdrawal from an Employee Benefit Plan; (y) any Liability for medical or life insurance benefits after retirement or other termination of employment to any employees of any Seller, Parent, any ERISA Affiliate or any Affiliate of any Seller or Parent; and (z) any Liability that any Seller, Parent, any ERISA Affiliate or any Affiliate of any Seller or Parent may have as a "signatory operator," "last signatory operator," "assigned operator," "related person," "successor," "successor in interest," or similar status under the Coal Act.

2.3.14 except as provided in Section 2.2.4, any Liability of any Seller or any of its Affiliates for any Taxes arising out of, attributable to or in respect of the Assets, the Business or otherwise for any Pre-Closing Tax Period or for any other Taxes for which any Seller or any Affiliates of any Seller are obligated to pay; and

2.3.15 any Liability of any Seller or any Affiliates of any Seller for the unpaid Taxes of any Person (other than a Seller) under Treas. Reg. § 1.1502-6 (or any similar provision of state, local, or foreign Law or regulation), as a transferee or successor, by contract, or otherwise.

2.4 Purchase Price.

2.4.1 On the terms and subject to the conditions set forth in this Agreement, Purchaser shall, as consideration for the Assets, pay to Sellers the aggregate base purchase price of One Hundred Seventy-five Million Dollars ($175,000,000.00) (the "Base Purchase Price") and assume the Assumed Liabilities. The Base Purchase Price shall be subject to adjustment at and after Closing in accordance with the terms of this Agreement (as adjusted, the "Purchase Price"). The Purchase Price shall be payable at the Closing as follows:

(a) Purchaser shall deliver the Escrow Amount and Regulatory Escrow Amount (each withheld and credited against the Base Purchase Price) to the Escrow Agent pursuant to the terms and conditions of this Agreement and the Escrow Agreement;

(b) Purchaser may, but is not required to, pay to each Seller's creditors a portion of the Base Purchase Price, for the benefit of such Seller, to pay off any Indebtedness of such Seller that is required to be paid off in order to release any Encumbrances (other than Permitted Encumbrances) on any Assets or to pay off any capital leases related to any of the Assets; and

(c) Purchaser shall pay to Sellers the balance of the Base Purchase Price (being the Base Purchase Price, as adjusted pursuant to this Agreement, less the Escrow Amount, Regulatory Escrow Amount and any payments made to each Seller's creditors as set forth above) in cash, by wire transfer of immediately available United States funds to an account or accounts designated by Sellers in written instructions given to Purchaser at least two business days prior to the Closing.

2.4.2 Schedule 2.4.2 sets forth the tax allocation statement ("Initial Tax Allocation Statement") to reflect the allocation of the Purchase Price among the Assets for purposes of Section 1060 of the Code as of the Closing Date. Within ninety (90) days after the Closing, Parent and Purchaser agree to adjust the Initial Tax Allocation Statement to reflect all adjustments to the Purchase Price after the Closing Date ("Final Tax Allocation Statement") determined pursuant to Section 2.5. Purchaser and Parent shall each (i) timely file all forms and Tax Returns required to be filed in connection with such Final Tax Allocation Statement, (ii) be bound by such allocation for purposes of determining Taxes, and (iii) take no position, and cause their respective Affiliates to take no position, inconsistent with such allocation on any applicable Tax Return or in any audit or proceeding before any Tax authority. In the event that the allocation set forth on the Final Tax Allocation Statement is disputed by any Tax authority, the Party receiving notice of such dispute shall promptly notify the other Parties hereto concerning the existence and resolution of such dispute. If the Parties cannot agree on the Final Tax Allocation Statement within the ninety (90) day period, the issue(s) in dispute will be submitted to the Independent Accountant for resolution. The determination of the Independent Accountant, acting as experts and not as arbitrators, shall be set forth in a written notice delivered, as promptly as practicable after the issue(s) in dispute have been submitted to the Independent Accountant, to the Purchaser and the Parent by the Independent Accountant and will be final, binding and conclusive on the Parties. The Purchaser and the Parent shall each bear 50% of the fees and expenses of the Independent Accountant for such determination. The Purchaser and the Parent will use all commercially reasonable efforts to cause the Independent Accountant to render its decision as promptly as practicable, including without limitation by promptly complying with all reasonable requests by the Independent Accountant for information, books, records and similar items.

2.5 Adjustment to Purchase Price. All adjustments to the Purchase Price shall be estimated and finally determined as set forth below in this Section 2.5.

2.5.1 Increases in Purchase Price. As provided in this Section 2.5, the Base Purchase Price shall be increased by the amount, if any, by which Closing Date Working Capital is greater than Target Base Working Capital.

2.5.2 Decreases in Purchase Price. As provided in this Section 2.5, the Base Purchase Price shall be decreased by the amount, if any, by which Target Base Working Capital is greater than Closing Date Working Capital.

2.5.3 Estimated Purchase Price Adjustments and Closing Payment. At least three business days prior to the anticipated Closing Date, Parent shall deliver to Purchaser a certificate duly executed by an authorized officer of Parent setting forth (i) an estimated consolidated balance sheet of the Business, as of the close of business on the Closing Date, prepared in accordance with GAAP (the "Estimated Closing Date Balance Sheet"), and (ii) based thereon, a good faith, reasonable estimate of the Closing Date Working Capital (the "Estimated Closing Date Working Capital"), together with work papers or other supporting documentation showing the preparation or calculation thereof. The calculation of the Estimated Closing Date Working Capital shall be made in a manner consistent with the illustrative calculation of the Closing Date Working Capital on Schedule 2.5.3, which shows an example of how the Closing Date Working Capital would have been calculated assuming a deemed September 30, 2014 closing.

2.5.4 Adjustments to Base Purchase Price. On the terms and subject to the conditions set forth herein, on the Closing Date, Purchaser shall adjust the amount of the Base Purchase Price that is paid to Sellers as follows:

(a) Increase the Base Purchase Price by an amount, if any, that is equal to the amount by which Estimated Closing Date Working Capital is greater than Target Base Working Capital; and

(b) Decrease the Base Purchase Price by an amount, if any that is equal to the amount, if any, by which Target Base Working Capital is greater than Estimated Closing Date Working Capital.

2.5.5 Special Consideration for Accounts Receivable in Calculation of Final Closing Date Working Capital. With respect to the calculation of the Final Closing Date Working Capital, the dollar amount of Accounts Receivables used in determining the Final Closing Date Working Capital shall be adjusted to reflect the actual amount of funds that Purchaser has collected and received from the Accounts Receivable by the 89th day after the Closing Date and the reserve for the allowance of doubtful accounts shall be adjusted to zero. To the extent that one or more Accounts Receivable remain uncollected at such time and are not included as Current Assets in the Final Closing Date Working Capital adjustment, such uncollected Accounts Receivables shall revert back to Sellers, shall be deemed Excluded Assets and, thereafter, Sellers shall be entitled, at its option, to collect and retain any collections from such Accounts Receivable.

2.5.6 Post-Closing Purchase Price Adjustments and Final Payment. Within 90 days after the Closing Date, Purchaser shall prepare and deliver to Parent the following information with respect to Sellers: (i) consolidated balance sheet of the Business, as of the close of business on the Closing Date, prepared in accordance with GAAP (the "Closing Date Balance Sheet"), and (ii) based thereon and the special adjustments set forth in Section 2.5.5, a calculation of the final Closing Date Working Capital (the "Final Closing Date Working Capital") (such delivery, the "Post-Closing Delivery"). The calculation of the Estimated Closing Date Working Capital shall be made in a manner consistent with the illustrative calculation of the Closing Date Working Capital on Schedule 2.5.3. Parent shall have 45 days from the date Purchaser delivers the Post-Closing Delivery to Parent (such period, the "Dispute Period") to notify Purchaser, in writing, as to whether Parent agrees or disagrees with the Post-Closing Delivery, which such notice shall identify in reasonable detail those items and amounts to which Parent objects (such written notice, the "Dispute Notice"). During the Dispute Period, Parent and its accountants shall be permitted to review (during regular business hours and upon reasonable prior notice) the working papers of Purchaser and (where applicable) Purchaser's accountants to the extent relating to the matters set forth in the Post-Closing Delivery, in each case as is reasonably requested in writing by Parent. If Parent fails to deliver a Dispute Notice to Purchaser during the Dispute Period, (Y) the Closing Date Balance Sheet as prepared by Purchaser shall be deemed to have been correctly prepared, and (Z) Purchaser's calculation of Final Closing Date Working Capital shall be deemed to be final and correct and shall be binding upon all Parties. If Parent delivers a Dispute Notice to Purchaser with respect to some, but not all, of the amounts or items included in the Post-Closing Delivery during the Dispute Period, then Parent and Sellers shall be deemed to have agreed with Purchaser's calculations of all amounts set forth in such Post-Closing Delivery that were not disputed in such duly and timely delivered Dispute Notice.

2.5.7 Resolution Period. If Parent delivers a Dispute Notice to Purchaser during the Dispute Period, Parent and Purchaser shall, for a period of 30 days from the date the Dispute Notice is delivered to Purchaser (such period, the "Resolution Period"), negotiate in good faith and use commercially reasonable efforts to amicably resolve the items in dispute. Any items so resolved shall be deemed to be final and correct as so resolved and shall be binding upon each of the Parties hereto.

2.5.8 Dispute Resolution.

(a) If Parent and Purchaser are unable in good faith to resolve all of the items in dispute during the Resolution Period, then, upon the expiration of the Resolution Period or such earlier date as Purchaser and Parent mutually agree, Purchaser and Parent shall refer the items remaining in dispute in writing to the Independent Accountant and shall deliver to the Independent Accountants, at the time of such referral, the Post-Closing Delivery and the Dispute Notice. The parties shall also furnish the Independent Accountants with such other information and documents as the Independent Accountants may reasonably request in order for them to resolve the items in dispute. Parent and Purchaser shall also, within 20 days of the date the items in dispute are referred to the Independent Accountants, provide the Independent Accountants with a written statement (a "Position Statement") describing in reasonable detail their respective positions on the items in dispute (copies of which will concurrently be delivered to the other party). If any party fails to timely deliver its Position Statement to the Independent Accountants, the Independent Accountants shall resolve the items in dispute solely upon the basis of the information otherwise provided to them. The Independent Accountants shall resolve all disputed items in a written determination to be delivered to Purchaser and Parent within 30 days after such matter is referred to them; provided, however, that any delay in delivering such determination shall not invalidate such determination or deprive the Independent Accountants of jurisdiction to resolve the items in dispute; provided, further, in resolving any disputed item, the Independent Accountants shall adhere to the definitions contained in this Agreement and the practices and other principles referred to therein. In no event shall the Independent Accountants assign a value to Final Closing Date Working Capital that is greater than the highest or less than the lowest calculation thereof proposed by Purchaser in the Post-Closing Delivery and Parent in the Dispute Notice. The decision of the Independent Accountants, acting as experts and not as arbitrators, made in accordance with this Agreement as to the items in dispute shall be final and binding upon the parties hereto and shall not be subject to judicial review. The fees and expenses of the Independent Accountants incurred in the resolution of any items in dispute shall be determined by the Independent Accountants and set forth in its report and shall be allocated and paid by the party whose calculation of the items in dispute is furthest from the Independent Accountant's determination of the items in dispute, with any amounts that are payable by Parent and/or Sellers paid out of the Escrow Amount.

(b) Within seven days after the final determination of the Closing Date Balance Sheet and the calculation of the Final Closing Date Working Capital (whether through failure of Parent to timely deliver a Dispute Notice, agreement of the Parties, or determination of the Independent Accountants):

i. if the Final Closing Date Working Capital is greater than the Estimated Closing Date Working Capital, Purchaser shall pay such excess to Sellers in immediately available funds via wire transfer;

ii. if the Final Closing Date Working Capital is less than Estimated Closing Date Working Capital (the absolute value of the difference, the "Deficit Amount"), Purchaser and Parent shall direct the Escrow Agent to pay the Deficit Amount to Purchaser out of the Escrow Amount (including any interest earned thereon). Payments under Sections 2.5.8(b)(i) and (ii) are referred to as the "Final Consideration Payment".

2.5.9 Exclusivity. The dispute resolution procedures set forth in this Section 2.5 are the sole and exclusive means and remedy for determining and calculating Current Assets, Current Liabilities, Closing Date Working Capital, Final Closing Date Working Capital and the components thereof, other than (i) in the event of a breach of a covenant or agreement set forth in this ARTICLE 2 relating thereto, in which case the aggrieved Party shall be entitled to such other rights and remedies as are permitted by this Agreement or (ii) in the event of fraud or willful misconduct, in which case the aggrieved party shall be entitled to such other rights and remedies as are permitted by applicable Law.

2.6 Regulatory Escrow Amount.

2.6.1 The Regulatory Escrow Amount will be used to pay for any Losses related to any Liabilities (including fines, penalties, fees and associated interest or charges related thereto) imposed by any Governmental Authority (including MSHA, WVOMHST, EPA and WVDEP) for citations, orders or other enforcement Actions of any type or kind based on events that occurred on or before the Closing Date and relating to (a) any Permit or (b) any facility owned, controlled or operated by any Seller prior to the Closing Date (including, without limitation, the following facilities with the MSHA Identification numbers assigned thereto: (i) Saunders Preparation Plant 46-02140; (ii) Elk Lick Tipple 46-04315; (iii) Toney Fork Surface Mine 46-09101; (iv) Powellton #1 Mine 46-09217; (v) Lower War Eagle Mine 46-09319; (vi) Elklick Chilton No. 1 Mine 46-09390; and (vii) Dingess-Chilton Mine 46-09280) and all reasonable attorneys' fees and costs incurred by Purchaser in the handling and resolution thereof, whether by settlement, administrative litigation or otherwise (collectively the "Regulatory Costs"). The Regulatory Escrow Amount shall be held by the Escrow Agent until the earlier of the date that all Regulatory Costs are paid or the third anniversary of the Closing Date ("Regulatory Escrow Period").

2.6.2 With respect to any Actions or claims related to any Regulatory Costs (" Regulatory Actions"), Sellers and Parent agree that Purchaser shall control the defense of the Regulatory Actions with counsel that is reasonably acceptable to Parent. Purchaser shall conduct the defense of the Regulatory Actions actively and diligently and Parent and Sellers shall cooperate with Purchaser in such defense and make available to Purchaser, at each Seller's and Parent's expense, all witnesses, pertinent records, materials and information in the possession or under the control of any Seller, Parent or any of their respective Affiliates relating thereto as is reasonably required by Purchaser. Purchaser shall not settle any Regulatory Action without the prior written consent of Parent, which consent shall not be unreasonably delayed or withheld. Purchaser shall be reimbursed out of the Regulatory Escrow Amount for all fees and costs (including attorneys' fees) that Purchaser incurs defending any Regulatory Actions.

2.6.3 From and after the Closing Date, Parent and Purchaser agree to execute and deliver to the Escrow Agent joint written instructions, not more frequently than monthly, unless otherwise agreed between the Parties, for the payment of Regulatory Costs. Following the Closing Date, upon receiving joint written instructions from both Parent and Purchaser that a determination has been made with respect to the amount of a Regulatory Cost, the Escrow Agent shall pay the amount so determined to the payee designated in the joint written instruction. If at any time after the Closing and before Escrow Release Date all Regulatory Costs have been fully satisfied and discharged, the remaining amount of the Regulatory Escrow Amount shall be automatically added to and become a part of the Escrow Amount. In the event that all Regulatory Costs are not fully satisfied and discharged until after the Escrow Release Date, then Parent and Purchaser shall direct the Escrow Agent to pay to Sellers any funds remaining out of the Regulatory Escrow Amount, if any. If, however, at the end of the Regulatory Escrow Period, or at any time prior to that, there are insufficient funds available from the Regulatory Escrow Amount to fully satisfy and discharge any Regulatory Costs, Purchaser shall be entitled to recovery from the Escrow Amount any amounts necessary to fully satisfy and discharge any unpaid Regulatory Costs. Sellers, Parent and Purchaser further agree to execute and deliver such other documents and to do such other acts and things, to effect any release of the Regulatory Escrow Amount as contemplated pursuant to the terms of this Agreement or the Escrow Agreement.

2.7 Escrow Funds. At the Closing, Purchaser shall pay to the Escrow Agent the Escrow Amount and Regulatory Escrow Amount (each, an " Escrow Fund") in cash payable by wire transfer of immediately available United States funds for deposit into an escrow account or escrow accounts (provided if in a single escrow account, for purposes of this Agreement they shall be treated as separate accounts) in accordance with the terms and conditions of the Escrow Agreement. The Escrow Amount shall serve as security for the payment to satisfy any Losses incurred by the Purchaser Indemnified Parties under ARTICLE 11 and to the extent necessary any Regulatory Costs, and shall be held and distributed by the Escrow Agent in accordance with the terms and conditions of this Agreement and the Escrow Agreement and shall be held and distributed by the Escrow Agent in accordance with the terms and conditions of this Agreement and the Escrow Agreement. If, however, there are insufficient funds available from the Escrow Amount to fully satisfy and discharge any Losses incurred by the Purchaser Indemnified Parties, Purchaser Indemnified Parties shall be entitled to recovery from the Regulatory Escrow Amount any amounts necessary to fully satisfy and discharge any such Losses. The Regulatory Escrow Amount shall be used to satisfy any Losses related to the Regulatory Costs as set forth above and shall be held and distributed by the Escrow Agent in accordance with the terms and conditions of this Agreement and the Escrow Agreement.

2.8 Escrow Amount Escrow Release. Subject to the terms and provisions of this Agreement and the Escrow Agreement, the Escrow Agent shall disburse to Sellers no later than 30 days after the first anniversary of the Closing Date the portion of the Escrow Amount in excess of $7,250,000 that remains in the Escrow Fund as of the first anniversary of the Closing Date (the "First Escrow Release Date"), and the Escrow Agent shall disburse to Sellers no later than 30 days after the eighteen (18) month anniversary of the Closing Date the remaining portion of the Escrow Amount (as reduced by any amounts previously disbursed to Purchaser or Sellers (the "Second Escrow Release Date" and together with the First Escrow Release Date, collectively, the " Escrow Release Dates" or individually a "Release Escrow Date"). In the event, however, that either Sellers or Parent has received, on or before an applicable Escrow Release Date, a notice (a "Claim Notice") from the Purchaser that the Escrow Agent may be required to disburse all or a portion of the Escrow Amount (such claimed amount, the "Claim Amount") to the Purchaser pursuant to ARTICLE 11, then the portion of the Escrow Amount subject to such Claim Notice shall continue to be held by the Escrow Agent (and not disbursed to Sellers on any Escrow Release Date) until the Claim Amount with respect thereto has been resolved. As soon as any dispute with respect to such Claim Amount has been resolved in accordance with the terms of the Escrow Agreement, the Escrow Agent shall be instructed to disburse such portion of the Escrow Amount, if any, as is required to be disbursed to Purchaser pursuant to ARTICLE 11 in connection with such Claim Amount, and the Escrow Agent shall disburse any remaining portion of the Claim Amount to Sellers in accordance with the terms of this Agreement and the Escrow Agreement, subject to the limitations on disbursements to Sellers set forth in this Section 2.8.

2.9 Unassigned Assets.

2.9.1 Notwithstanding anything to the contrary in this Agreement, to the extent that any Contract, right, interest or asset that would otherwise be an Asset is not capable of being transferred or assigned to Purchaser in connection with the Closing without the consent or waiver of a third party which has not been obtained on or before the Closing Date or such transfer or assignment would result in the breach or violation of any such Contract, right or interest or any applicable Law, Sellers will be deemed not to have assigned or transferred or attempted to assign or transfer, to Purchaser any right, title or interest in or to any such Contract, right, interest or asset (each, an "Unassigned Asset") without first having obtained all necessary Consents and waivers. Sellers and Purchaser shall each use their best efforts to obtain such Consents and waivers as may be necessary to cure such potential breach or violation.

2.9.2 With respect to such Unassigned Assets, Sellers shall (i) provide to Purchaser the benefits thereof and shall promptly pay to Purchaser when received all monies received by Sellers under any Unassigned Asset and the proceeds of or other amounts relating to any Unassigned Assets, (ii) cooperate in any arrangement designed to provide such benefits to Purchaser and (iii) enforce at the request of Purchaser and for the account of Purchaser, any rights of any Seller arising from any such Unassigned Asset (including the right to elect to terminate any Contract that is an Unassigned Asset in accordance with the terms thereof upon the reasonable request of Purchaser).

2.9.3 Purchaser will, at its sole cost and expense, perform the obligations arising under such Unassigned Asset for the benefit of Sellers and the other party or parties thereto.

2.9.4 Notwithstanding any provision in this Section 2.9 to the contrary, Purchaser shall not be deemed to have waived its rights under Section 6.1.3 hereof unless and until Purchaser provides written waivers thereof.

ARTICLE 3 SEGREGATION AND REMOVAL OF EXCLUDED ASSETS

3.1 Segregation and Removal of Excluded Assets. Within one hundred eighty days (180) days after the Closing Date, Sellers shall segregate and remove from the Real Property all Excluded Assets; provided that, any such items that in the reasonable discretion of Purchaser hampers the Purchaser's operation of the Business after the Closing shall be removed immediately after Parent has received notice from Purchaser of such determination. Notwithstanding the foregoing, any Excluded Assets required by Purchaser to be used in the Business pursuant to the Transition Services Agreement, which items shall be removed at the termination thereof or the earlier replacement of any specific item thereunder by Purchaser. Sellers shall remove such items at each Seller's sole cost and expense in a manner so as not to unreasonably interfere with Purchaser's operations on the Real Property, and Sellers shall bear full liability for any and all claims related to or arising from such Excluded Assets and their removal.

ARTICLE 4 CLOSING

4.1 Closing. The closing of the Transactions (the "Closing") will take place on the first business day after the satisfaction or waiver of the conditions set forth in ARTICLE 5, ARTICLE 6 and ARTICLE 7 (excluding conditions that, by their nature, cannot be satisfied until the Closing Date, but subject to the fulfillment or waiver of such conditions at the Closing) unless this Agreement has been previously terminated pursuant to its terms or unless another time or date is agreed to in writing by the parties (the actual date of Closing being referred to herein as the "Closing Date"). The parties shall use commercially reasonable efforts to complete the Closing through electronic means of communication to avoid the necessity of a physical Closing. To the extent a physical Closing is required, the Closing shall be held at the offices of Dinsmore & Shohl LLP, 900 Lee Street East, Suite 600, Charleston, WV 25301, unless another place is agreed to in writing by the parties.

4.2 Delivery of Assets and Procedure at Closing. At the Closing, Sellers and Parent shall deliver (or cause to be delivered) to Purchaser certificates of title and all other duly executed documents set forth in this Section 4.2 and in Section 4.5 for transfer of the Assets, thereby transferring to Purchaser good and marketable title to the Assets, free and clear of all Encumbrances except Permitted Encumbrances; provided however there shall be special warranty of title as to the Owned Real Property, free and clear of all Encumbrances created by, through or under any Seller, except Permitted Encumbrances, including:

4.2.1 A bill of sale and assignment and assumption agreement, substantially in the form attached hereto as Exhibit D;

4.2.2 Lease assignment and assumption agreements to Purchaser for the Leased Real Property in form and substance that is reasonably acceptable to Purchaser and consistent with the terms of this Agreement;

4.2.3 special warranty deeds to Purchaser for the Owned Real Property, in form and substance that is reasonably acceptable to the Parties (the "Special Warranty Deeds");

4.2.4 All documents of title and instruments of conveyance necessary to transfer record and/or beneficial ownership to Purchaser of all automobiles, trucks and trailers owned by any Seller (and any other Assets owned by any Seller which require execution, endorsement and/or delivery of a document in order to vest record or beneficial ownership thereof in Purchaser) which are included in the Assets;

4.2.5 The Escrow Agreement;

4.2.6 Permit Operating Agreement;

4.2.7 The Transition Services Agreement;

4.2.8 By reasonable advance notice, such other deeds, endorsements, assignments and other instruments as, in the reasonable opinion of Purchaser's counsel, are necessary to vest in Purchaser good and marketable title to the Assets, except for special warranty of title as to the Owned Real Property.

4.2.9 Certificates of Good Standing regarding each Seller from the Secretary of State of the State of Delaware and a Certificate of Good Standing regarding Parent from the Secretary of State of Ohio;

4.2.10 a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of each Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the managers and members of each Seller authorizing the execution, delivery and performance of this Agreement, and all other documents, certificates and agreements that are contemplated in this Agreement and the consummation of the Transactions, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

4.2.11 a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Parent certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Parent authorizing the execution, delivery and performance of this Agreement, and all other documents, certificates and agreements that are contemplated in this Agreement and the consummation of the Transactions, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

4.2.12 A certificate of non-foreign status of each Seller in form reasonably acceptable to Purchaser pursuant to Section 1.1445-2(b)(2) of the U.S. Treasury Regulations under the Code;

4.2.13 The certificate contemplated by 6.1.2;

4.2.14 An owner's affidavit of title covering the Owned Real Property in a form reasonably required by the title insurance company issuing the title insurance policy for the Owned Real Property;

4.2.15 A settlement statement setting forth the disbursement of funds at the Closing; and

4.2.16 All other documents required to be delivered by any Seller or Parent on or prior to the Closing Date pursuant to this Agreement.

4.3 Purchaser's Deliveries at Closing. At the Closing, Purchaser shall deliver (or cause to be delivered) to Sellers and Parent:

4.3.1 A bill of sale and assignment and assumption agreement, substantially in the form attached hereto as Exhibit D;

4.3.2 Lease assignment and assumption agreements to Purchaser for the Leased Real Property in form and substance that is reasonably acceptable to Purchaser and consistent with the terms of this Agreement;

4.3.3 The Special Warranty Deeds to Purchaser for the Owned Real Property;

4.3.4 The Escrow Agreement;

4.3.5 The Permit Operating Agreement;

4.3.6 The Transition Services Agreement;

4.3.7 The portion of the Base Purchase Price payable to Sellers at Closing as determined in accordance with the terms of this Agreement;

4.3.8 The Escrow Amount and Regulatory Escrow Amount payable to the Escrow Agent at Closing as determined in accordance with the terms of this Agreement;

4.3.9 The certificate contemplated by 7.1.2;

4.3.10 A settlement statement setting forth the disbursement of funds at the Closing;

4.3.11 A certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Purchaser certifying that attached thereto are true and complete copies of all resolutions adopted by the managers of Purchaser authorizing the execution, delivery and performance of this Agreement, and all other documents, certificates and agreements that are contemplated in this Agreement and the consummation of the Transactions, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby; and

4.3.12 All other documents required to be delivered by the Purchaser on or prior to the Closing Date pursuant to this Agreement.

4.4 Simultaneous Transactions. All actions taken and transactions consummated at the Closing shall be deemed to have occurred simultaneously, and no such transaction shall be considered consummated unless all are consummated.

4.5 Supplemental Assignments. As reasonably required by Purchaser in order to effectuate the Transaction, each Party shall also execute and deliver at (and after) the Closing such other assignments, bills of sale, certificates of title and other documents, and shall take such other actions, as are necessary or appropriate to transfer the Assets to Purchaser.

ARTICLE 5 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BOTH PARTIES

5.1 The respective obligation of each Party to effect the Closing shall be subject to the satisfaction at or prior to the Closing Date of the following conditions:

5.1.1 Statutes; Court Orders. No statute, rule or regulation shall have been enacted or promulgated by any Governmental Authority which prohibits the consummation of the Transactions; and there shall be no order or injunction of a court of competent jurisdiction precluding consummation of the Transactions; and

5.1.2 Regulatory Approval. All waiting periods (and extensions thereof) under the HSR Act, if any, relating to the transaction contemplated hereby shall have expired or been earlier terminated.

5.1.3 Baisden-Vaughan Lease. The Parties shall have either (a) reached an agreement with the lessor of the Baisden-Vaughan Lease that fully resolves the disputes with such lessor on terms and conditions that are reasonably acceptable to the Parties, or (b) amended this Agreement to remove the Baisden-Vaughan Lease as an Asset (and make it an Excluded Asset) and make a corresponding adjustment to either the Purchase Price or the Target Base Working Capital.

ARTICLE 6 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER

6.1 All obligations of Purchaser to be discharged under this Agreement at the Closing are subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless expressly waived in writing by Purchaser at any time at or prior to the Closing):

6.1.1 Government Action. There shall not be threatened or pending any suit, Action or proceeding by any Governmental Authority:

(a) seeking to prohibit or impose any material limitations on Purchaser's ownership or operation of all or a portion of its businesses or assets or the Assets, or to compel Purchaser to dispose of or hold separate any material portion of the Assets or the business or assets of Purchaser;

(b) seeking to restrain or prohibit the consummation of the Closing or the performance of any of the other Transactions, or seeking to obtain from Purchaser any damages pertaining to this Agreement or the Transactions;

(c) seeking to impose limitations on the ability of Purchaser, or rendering Purchaser unable, to accept or pay for or purchase some or all of the Assets or otherwise to consummate the Transactions;

(d) seeking to impose limitations on the ability of Purchaser effectively to exercise full rights of ownership of the Assets; or

(e) that is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (a) through (d) above.

6.1.2 Certificate of each Seller's Officers. Sellers shall have delivered to Purchaser at the Closing a certificate signed by an authorized officer of each Seller and Parent, dated the Closing Date, in form and substance reasonably satisfactory to Purchaser, to the effect that, as of the Closing Date (i) that the conditions set forth in Sections 6.1.6 and 6.1.7 have been satisfied and (ii) since the date of this Agreement, there has not occurred any Material Adverse Change (or to Seller's Knowledge any development that is reasonably likely to result in any Material Adverse Change).

6.1.3 Consents Obtained. All Consents and approvals of any Person necessary to the consummation of the Transactions and to the use of the Assets by Purchaser, after Closing without any material interruption, including Consents and approvals listed on Schedule 8.21, but excluding any Consents or approvals from any Governmental Authority required in connection with the transfer of the Permits and bonds related thereto, shall have been obtained and shall be in full force and effect.

6.1.4 Closing Deliveries. Purchaser shall have received all of the deliveries required from Sellers and Parent pursuant to Section 4.2 above.

6.1.5 Material Adverse Change. Since the date of this Agreement, there shall not have occurred any Material Adverse Change (or any development that, insofar as reasonably can be foreseen, is reasonably likely to result in any Material Adverse Change).

6.1.6 Representations and Warranties. The representations and warranties of Sellers and Parent contained in this Agreement (other than the Fundamental Reps of Sellers and Parent) shall be true and correct except where the failure to be true and correct would not cause a Material Adverse Change taken as a whole (it being understood that, notwithstanding anything to the contrary contained in this Agreement, for the sole purpose of determining whether there has been a Material Adverse Change as a result of any inaccuracy of a representation or warranty of Sellers and Parent, such representation or warranty shall be read as if it were not qualified by "material" or "Material Adverse Change" or other words of similar import), in each case on the date hereof and on the Closing Date (unless the representations and warranties address matters as of a particular date, in which case they shall remain true and correct in all respects as of such date). The Fundamental Reps of Sellers and Parent contained in this Agreement shall be true and correct in all respects.

6.1.7 Performance of Obligations. Sellers and Parent shall have performed each obligations required to be performed by it under this Agreement prior to the Closing Date in all material respects.

6.1.8 Work Stoppage. There shall be no work stoppage at the Business, and no Seller shall have received notice of any future work stoppage.

6.1.9 Collective Bargaining Agreement. No Seller shall have entered into or permitted the Business to enter into any collective bargaining agreement or other labor agreement with any union or other labor organization.

6.1.10 Release Letters. Purchaser shall have received for each instrument of Indebtedness (and indebtedness of Parent or any of their respective Affiliates), where such indebtedness is secured in whole or in part by any of the Assets, a release letter (collectively, the "Release Letters") from each applicable creditor, in form and substance reasonably acceptable to Purchaser indicating, to the extent that such creditor has an Encumbrance on any of the Assets, shall release an Encumbrance on and agree to execute Uniform Commercial Code termination statements and such other documents or endorsements necessary to release an Encumbrance on the Assets, and that if required by such creditor, the payment of the specific amount that is required by such creditor to release its Encumbrances on the Assets;

6.1.11 Release of Liens and Capital Leases. Sellers shall have obtained a release (or a commitment to release that is reasonably satisfactory to Purchaser) of any and all Encumbrances affecting the Assets (including through the Release Letters) other than the Permitted Encumbrances and Sellers shall have paid off in full all Liabilities under any capital leases that relate to any of the Assets and terminated all such capital leases.

6.1.12 No Damage. There shall not have occurred a loss of or damage to the Assets in the aggregate of over $25,000,000, unless Sellers have replaced the damaged, stolen or lost Assets to the reasonable satisfaction of Purchaser prior to Closing.

6.1.13 COBRA Notices. Sellers shall have supplied proof to Purchaser satisfactory in form and substance to counsel for Purchaser of each Seller's compliance with the provisions of COBRA as they apply to Sellers with respect to the termination of its employees, including any notices required to be distributed to employees of any Seller.

6.1.14 Inventory. The Assets will include at least 30 days of Coal Inventory based upon the projected sales of coal by Sellers or their Affiliates in the 30 day period following the Closing as reasonably determined by Purchaser.

ARTILCE 7 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS AND PARENT

7.1 All obligations of Sellers and Parent to be discharged under this Agreement at the Closing are subject to the fulfilment, prior to or at the Closing, of each of the following conditions (unless expressly waived in writing by Sellers and Parent at any time at or prior to the Closing):

7.1.1 Government Action. There shall not be threatened or pending any suit, Action or proceeding by any Governmental Authority:

(a) seeking to restrain or prohibit the consummation of the Closing or the performance of any of the other Transactions, or seeking to obtain from any Seller any damages pertaining to this Agreement or the Transactions that are material;

(b) seeking to impose limitations on the ability of Purchaser, or rendering Purchaser unable, to accept or pay for or purchase some or all of the Assets or otherwise to consummate the Transactions; or

(c) that is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (a) or (b) above.

7.1.2 Certificate of Purchaser's Officers. Purchaser shall have delivered to Sellers and Parent at the Closing a certificate signed by an authorized officer of Purchaser, dated the Closing Date, in form and substance reasonably satisfactory to Parent, to the effect that, as of the Closing Date that the conditions set forth in Sections 7.1.3 and 7.1.5 have been satisfied.

7.1.3 Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement (other than the Purchaser's Fundamental Reps) shall be true and correct except where the failure to be true and correct would not cause a material adverse change taken as a whole (it being understood that, notwithstanding anything to the contrary contained in this Agreement, for the sole purpose of determining whether there has been a material adverse change as a result of any inaccuracy of a representation or warranty of Purchaser, such representation or warranty shall be read as if it were not qualified by "material" or "material adverse change" or other words of similar import), in each case on the date hereof and on the Closing Date (unless the representations and warranties address matters as of a particular date, in which case they shall remain true and correct in all respects as of such date). The Fundamental Reps of Purchaser contained in this Agreement shall be true and correct in all respects.

7.1.4 Closing Deliveries. Sellers shall have received all of the deliveries required from Purchaser pursuant to Section 4.3 above.

7.1.5 Performance of Obligations. Purchaser shall have performed each obligation required to be performed by it under this Agreement prior to the Closing Date in all material respects.

7.1.6 Permit Transfer Application. Purchaser shall have provided Sellers with evidence satisfactory to Sellers, in their reasonable discretion, that Purchaser has prepared all necessary transfer applications for all Permits and all bonds related thereto that need to be filed with the appropriate Governmental Authority, including operator assignment applications, all in a form acceptable to the relevant Governmental Authority.

7.1.7 Guarantees. Purchaser shall have caused Parent and its Affiliates, if and to the extent applicable, to be released from the Guarantees; provided, however, that if the release of the Guarantees cannot be obtained, the Guarantees shall remain in effect and Purchaser shall indemnify and hold harmless Parent and each Seller from all Losses and claims arising in under or connection with such Guarantees from and after the Closing Date, pursuant to the terms of Section 11.3.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES OF SELLERS AND PARENT

Sellers and Parent, jointly and severally, represent and warrant, that except as set forth in the Disclosure Schedules, the following statements are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date:

8.1 Organization and Status of Sellers . Each Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each Seller is duly qualified and properly authorized to (i) own, operate or lease its properties, (ii) conduct the Business in the places and manner in which such properties are located and such Business is currently conducted, and (iii) perform all of its obligations under the Assumed Contracts, Leases and Permits, including the bonds related thereto. Each Seller has delivered to Purchaser true and correct copies of that Seller's Certificate of Formation (or similar formation documents) and operating agreement, and all amendments thereto.

8.2 Authority. Each Seller and Parent each has full right and authority to execute and deliver this Agreement and any other documents pertaining to the Transactions to which the each of them is a party, to perform its obligations hereunder and to consummate the Transactions. All required action with respect to each Seller and Parent has been taken to approve this Agreement and the Transactions and no other action on the part of any Seller or Parent is necessary to authorize this Agreement. This Agreement has been duly executed and delivered by each Seller and Parent and constitutes the valid and binding obligation of each Seller and Parent, enforceable in accordance with its terms, subject, however, to the effect of, and then only to the extent that enforceability may be limited by, bankruptcy, insolvency, reorganization, moratorium and similar Laws relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution and delivery of this Agreement, the consummation of the Transactions, and the performance by each Seller and Parent of its obligations under this Agreement in accordance with its terms will not require the approval or consent of, or notice to or filing with, any Governmental Authority, except as related to the HSR Act and as necessary for transfer of the Permits and the bonds related thereto and the designation of Purchaser as operator thereunder pending transfer to Purchaser.

8.3 No Breach. The execution, delivery and performance by each Seller and Parent of this Agreement and any other documents pertaining to the Transactions to which any Seller or Parent is a party do not, and will not, (i) conflict with, violate or breach, or cause a default under, any provision of the certificate of incorporation, bylaws, certificate of formation, operating agreement or other organizational documents of any Seller or Parent or (ii) assuming receipt of the Consents set forth on Schedule 8.21, conflict with, or result in any violation of, or breach under, any Law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or any arbitrator applicable to any Seller or Parent, (iii) assuming receipt of the Consents set forth on Schedule 8.21, conflict with, result in violation or breach of, or with notice or the passage of time or both, result in a breach by any Seller or Parent, or constitute a default under, or result in the acceleration of or create in any party the right to accelerate, terminate, modify, or cancel any Assumed Contract to which any Seller or Parent is a party or by which any Seller or Parent or any of the Assets may be bound, or (iv) result in the creation or imposition of any Encumbrance, other than a Permitted Encumbrance, upon the Assets under any Contract to which any Seller or Parent or their respective properties may be bound. Assuming receipt of the Consents set forth on Schedule 8.21, neither any Seller nor Parent is a party to any Contract, nor is any Seller or Parent bound by, any judgment, injunction or decree of any Governmental Authority, which in any respect may restrict or interfere with the performance of this Agreement.

8.4 Financial Statements. Sellers or Parent has delivered to Purchaser: (a) unaudited consolidated balance sheets of the Business as at December 31, 2012 and December 31, 2013 and the related unaudited consolidated statements of income, changes in members' equity, and cash flows for each of the two fiscal years ended on such dates, including the notes thereto (collectively, the "Year-End Financial Statements") and (b) an unaudited consolidated balance sheet (the "Interim Balance Sheet") of the Business as at September 30, 2014 (the " Interim Balance Sheet Date"), and the related unaudited consolidated statements of income, changes in members' equity, and cash flows for the nine months then ended (collectively, the "Unaudited Financial Statements", and together with the Year-End Financial Statements the "Financial Statements"). The Financial Statements (i) fairly present, in all material respects, the consolidated financial condition and the results of operations, changes in members' equity, and cash flows of the Business as at the respective dates of, and for the periods referred to in, the Financial Statements, and (ii) were prepared in accordance with GAAP, subject, in the case of the Unaudited Financial Statements, to normal recurring year-end adjustments and the absence of notes (that, if presented, would not differ materially from those included in the Year-End Financial Statements). The Financial Statements reflect the consistent application of GAAP throughout the periods involved, except as disclosed in the notes to the Year-End Financial Statements. No financial statements of any Person other than Sellers are required by GAAP to be included or reflected in the Financial Statements. The Financial Statements were prepared from, and are consistent with, the accounting records of Sellers.

8.5 Ordinary Course of Business. Since September 30, 2014 ("Reference Date"), except as and to the extent described on Schedule 8.5, each Seller has:

8.5.1 continued its Business and conducted its operations and maintained the Assets in the ordinary course of business;

8.5.2 used commercially reasonable efforts to preserve the goodwill of all its suppliers, customers, potential customers, and all others having business relationships with it;

8.5.3 maintained its books, records and accounts relating to the Business in the usual, regular and ordinary manner; and

8.5.4 not taken any action or failed to take any action that if taken (or failed to be taken) after the date of this Agreement would constitute a breach, in any material respect, of the covenants set forth in Section 10.2 regarding continuation of the Business.

8.6 Ownership, Condition and Sufficiency of Assets.

8.6.1 Title to Assets; Encumbrances.

(a) Except as listed on Schedule 8.6.1(a), each Seller has good and marketable title to all Assets, free and clear of all Encumbrances, other than Permitted Encumbrances.

(b) Except as listed on Schedule 8.6.1(b), there are no recorded or unrecorded Encumbrances relating to the Owned Real Property other than Permitted Encumbrances, and to Seller's Knowledge, there are no recorded or unrecorded Encumbrances relating to the Leased Real Property other than Permitted Encumbrances.

(c) The Assets (other than the Excluded Assets) constitute all of the assets, properties and rights necessary for the operation of the Business, including without limitation, all mining, processing, loading, transporting and selling of coal and all reclamation activities.

8.6.2 Owned Real Property. Schedule 8.6.2 sets forth an accurate and complete list, citing to the Deed Book and Page Number of each Seller's source deed, of all Owned Real Property. The property maps attached hereto as Schedule 8.6.2(a) depict in a reasonably accurate manner the location and boundaries of the Owned Real Property. True and complete copies of the following have heretofore been delivered to Purchaser: (i) all deeds, title insurance policies, title insurance commitments, title reports, title opinions, title abstracts, maps and surveys relating to the Real Property which any Seller or any Affiliates of any Seller has in its possession, and (ii) all documents evidencing recorded and unrecorded Encumbrances upon the Real Property which any Seller or any Affiliates of any Seller has in its possession.

(a) Each Seller has the power and right to sell, transfer and convey the Owned Real Property to Purchaser.

(b) Each Seller has obtained all appropriate certificates of occupancy, Licenses, easements and rights of way, required to use and operate the Owned Real Property in all material respects in the manner in which the Owned Real Property is currently being used and operated in connection with the Business. Neither any Seller nor any Affiliates of any Seller has received notice, of any intention on the part of any issuing authority to cancel, suspend or modify any approvals, Licenses or Permits, and bonds related thereto, relating to the Owned Real Property.

(c) Except for Taxes not yet delinquent, each Seller has paid all Taxes which that Seller is legally obligated to pay, which are due and owing and which if not paid could constitute an Encumbrance on the Owned Real Property or impose Liability on Purchaser. Neither any Seller nor any Affiliates of any Seller has received notice of or become aware of any proposed special assessment which would adversely affect the Owned Real Property.

(d) There are no Actions pending or, to Seller’s Knowledge, threatened regarding the ownership, use or possession of the Owned Real Property, including subsidence claims, condemnation, expropriation or similar proceedings except as listed in Schedule 8.17.1. Except as set forth on Schedule 8.6.2(d), each Seller’s use and operation of the Owned Real Property as currently conducted does not violate, in any material respect, any Laws, and all coal facilities on the Owned Real Property are constructed, occupied and used by each Seller in compliance, in all material respects, with all Laws.

(e) No Seller is a party to any lease or assignment under which that Seller is a lessor or sublessor with respect to the Owned Real Property, and the Owned Real Property is not made available for use by any third party except as set forth on Schedule 8.6.2(e).

(f) There are no commitments, obligations or Liabilities with respect to the payment of rents or royalties, including overriding royalties, relating to any of the Owned Real Property.

(g) Except as set forth on Schedule 8.6.2(g), there are no outstanding options or rights of first refusal to purchase any of the Owned Real Property or any interest therein.

8.6.3 Leases and Leased Real Property . Schedule 8.6.3 contains an accurate and complete list of all the Leases held by any Seller and used by any Seller in the operation of the Business, together with a list of all prepaid royalties and un-recouped minimum royalties for each Lease, and the Leases have not been amended or modified, assigned or subleased except as set forth on such Schedule 8.6.3. To Seller’s Knowledge, the property maps attached hereto as Schedule 8.6.3 depict in a reasonably accurate manner the location and boundaries of the Leased Real Property. A true and complete copy of each Lease, including all amendments and exhibits, has heretofore been delivered to Purchaser. Each of the Leases is in full force and effect and constitutes a valid and binding obligation of the Seller that is a party to such Lease and, to Seller’s Knowledge, the other party thereto except as enforcement may be limited by bankruptcy, insolvency, moratorium, reorganization, liquidation or similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles. The leasehold estate created by each Lease is free and clear of all Encumbrances created by, through or under any Seller or Affiliate of any Seller other than Permitted Encumbrances. Except as disclosed in Schedule 8.6.3, there are no defaults, breaches or uncured violations that could lead to a default by any Seller under any of the Leases and no event has occurred that (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a default, breach or uncured violation that could lead to a default by any Seller under any Lease. To Seller’s Knowledge, except as disclosed in Schedule 8.6.3, there are no defaults, breaches or uncured violations that could lead to defaults, by any other party, or to Seller’s Knowledge any events, which with notice, the passage of time or both, would constitute such defaults, breaches or violations by any other party under any of the Leases. There are no existing disputes between any Seller and any other party to any of the Leases or any party having rights under or with respect to the Leases that are expected to result in a claim of default, breach, or termination thereof. Sellers have paid all rents, royalties, and other payments due and payable under each Lease, and has otherwise complied with the Leases. Except as set forth on Schedule 8.6.3, no Seller has subleased, assigned or otherwise granted to any Person the right to use or occupy such Leased Real Property or any portion thereof. Within the past four (4) years, no Seller has received any notice that there exists any default, breach, violation, lost coal claim or condition which with the passage of time would constitute a default or lost coal claim on the part of Seller under any Lease, except as set forth in Schedule 8.17.1. No Seller nor any Affiliate of a Seller has received any notice that any lessor or landlord under any Lease will cancel or terminate such Lease, or fail to perform its obligations under such Lease and to Seller's Knowledge, no lessor or landlord under any Lease intends to cancel or terminate such Lease or fail to perform its obligations under such Lease.

(a) Subject to the Consents described on Schedule 8.21, each Seller has the power and right to assign the Leases to Purchaser.

(b) Each Seller has obtained all appropriate certificates of occupancy, Licenses, easements and rights of way, including proofs of dedication, required to use and operate the Leased Real Property in the manner in which the Leased Real Property is currently being used and operated. Neither any Seller nor any Affiliates of any Seller has received notice of any intention on the part of the issuing authority to cancel, suspend or modify any approvals, Licenses or Permits, or bonds related thereto, relating to the Leased Real Property.

(c) There are no Actions pending or, to Seller's Knowledge, threatened, regarding the ownership, use or possession of the Leased Real Property, including subsidence claims, condemnation, expropriation or similar proceedings except as listed in Schedule 8.17.1. Each Seller's use and operation of the Leased Real Property as currently conducted does not violate, in any material respect, any Laws, and all coal facilities on the Leased Real Property are constructed, occupied and used by each Seller in compliance, in all material respects, with all Laws.

(d) Except as set forth in Schedule 8.6.3, there are no outstanding options or rights of first refusal to purchase or sublease any of the each Seller's interest in the Leases or any interest therein.

(e) There are no commitments, obligations or Liabilities with respect to the payment of rents or royalties, including overriding royalties, under any Leases or relating to any Leased Real Property that are not otherwise set forth in the Leases.

(f) All royalties due and payable under the Leases have been paid in full on or before their due dates.

8.6.4 Buildings and Improvements. The buildings, improvements, loadout facilities, structures and other fixtures located on the Real Property, are in good operating condition and state of repair for the purposes for which they are used by each Seller in the operation of the Business, normal wear and tear excepted. No Seller has received notice which states that any Seller is in violation of any applicable building, zoning, subdivision, platting, fire, insurance, safety, health or other applicable Laws, ordinances or regulations in respect of its inventories, supplies, plants or structures, Real Property or the operation of any of the foregoing.

8.6.5 Environmental Matters. Except as set forth on Schedule 8.6.5, solely with respect to the Business and the Assets:

(a) each Seller is in compliance, in all material respects, with all Environmental Laws;

(b) During the four (4) years preceding the date of this Agreement, no Seller nor any Affiliates of any Seller has received any written communication, whether from a Governmental Authority, citizens group, employee or otherwise, that alleges that any Seller or any Affiliates of any Seller are not in compliance, in all material respects, with any Environmental Laws, except for such written communications that have been resolved in all respects. Sellers have delivered to Purchaser prior to the execution of this Agreement all phase I and phase II environmental site assessments and compliance reviews conducted during the four (4) years preceding the date of this Agreement that are in the possession of any Seller or any Affiliates of any Seller regarding environmental matters pertaining to, or the Environmental Condition of, the Real Property, Business or the compliance (or non-compliance) by any Seller with any Environmental Laws;

(c) there is no Environmental Claim by any Person that is pending or, to Seller's Knowledge, threatened against any Seller, any Affiliates of Seller or against any Person whose Liability for any Environmental Claim any Seller (or any Affiliates of any Seller) has retained or assumed either contractually or by operation of Law, with respect to the Assets or the Business, nor, to Seller's Knowledge, is there any valid basis for such claim to be brought;

(d) No Seller has, and to Seller's Knowledge no other Person has, Released, placed, stored, deposited, discharged, buried, dumped or disposed of Hazardous Materials in quantities and concentrations requiring immediate notification of Governmental Authorities and which are not otherwise authorized by Law or Permit, on or beneath the Real Property, or from the Real Property into the Environment, except for inventories of such substances to be used, and wastes generated therefrom, in the ordinary course of business of Sellers and in compliance with Environmental Laws (which inventories and wastes, if any, were and are stored or disposed of in compliance with applicable Environmental Laws and in a manner such that there has been no unpermitted Release of any such Hazardous Materials into the Environment or on the Real Property);

(e) Except in compliance with a valid Permit listed on Schedule 8.19.1, no Seller has engaged in the treatment, storage, or disposal of Hazardous Materials at or in connection with the Assets or the operation of the Business, or transported or accepted for transport any Hazardous Materials;

(f) each Seller owns, holds, lawfully uses or possesses and is in compliance, in all material respects, with all Permits and bonds related thereto required under any Environmental Law necessary to conduct the Business as currently conducted; and

(g) without in any way limiting the generality of the foregoing (i) all on-site and off-site locations where any Seller currently or within the past four (4) years has stored, disposed or arranged for the disposal of Hazardous Materials, other than fuel or lubricants, are specifically identified on Schedule 8.6.5, (ii) all underground storage tanks and above ground storage tanks, and the capacity and contents of such tanks, located on any Real Property are specifically identified on Schedule 8.6.5, (iii) all former underground storage tanks have been removed from the Real Property in compliance with applicable, (iv) all PCBs or items containing PCBs in regulated amounts used or stored on any Real Property are identified on Schedule 8.6.5 and (v) there are no underground injection wells, radioactive materials or septic tanks or waste disposal pits in which process wastewater or any Hazardous Materials have been discharged or disposed, other than the properly permitted waste disposal pits operated in the ordinary course of business in compliance with all Environmental Laws and which are listed on Schedule 8.6.5.

8.6.6 Inventory, Equipment and Fixed Assets.

(a) Except as disclosed in Schedule 8.6.6, a Seller has good and marketable title to all Equipment and Fixed Assets, free and clear of all Encumbrances other than Permitted Encumbrances. All tangible assets, Equipment and Fixed Assets are in good operating condition and state of repair for the purposes for which they are used by any Seller in the operation of the Business, normal wear and tear excepted.

(b) All of the Coal Inventories of the Business whether reflected in the Financial Statements or otherwise, consist of a quality and quantity usable and salable on a standalone or blended basis in the ordinary and usual course of business. The Coal Inventory is or will be on the Closing Date, in an amount that is normal and customary for the on-going and uninterrupted operation of the Business.

(c) The Parts and Supplies Inventory is or will be on the Closing Date, maintained at normal and customary levels for the on-going and uninterrupted operation of the Business.

8.6.7 Intellectual Property. A Seller validly owns, is validly licensed under or has legal right to use all registered Intellectual Property set forth in Schedule 8.6.7. The rights of Sellers in the Intellectual Property set forth in Schedule 8.6.7 are valid and in good standing, are owned, or licenses thereunder are held, free and clear of all liens and Encumbrances, other than Permitted Encumbrances and is all of the Intellectual Property necessary to operate the Business as currently conducted. No violations are or have been recorded in respect of any Intellectual Property set forth in Schedule 8.6.7 and no proceeding is pending or, to Seller's Knowledge, threatened seeking the revocation or limitation of same. To Seller's Knowledge, no Person is infringing upon the rights of any Seller in, or misappropriating the subject matter of, any Intellectual Property and no Person has claimed that any Seller is infringing or misappropriating the Intellectual Property of that Person or the Assets are infringing upon the Intellectual Property of that Person.

8.6.7 No Undisclosed Liabilities. Except as disclosed in Schedule 8.6.8, no Seller has Liabilities of any nature whether or not absolute, accrued, contingent or otherwise, including, without limitation, Liability for unpaid contributions to an Employee Benefit Plan and withdrawal Liability to any such plan, Liability under Environmental Laws, off-site Liability for disposal of Hazardous Materials and/or wastes, or Liability for contamination of property previously owned or leased directly or indirectly by any Seller, or Tax Liabilities due or to become due with respect to any of the Assets or in respect of business transacted by any Seller other than (i) Liabilities set forth in the Financial Statements, (ii) Liabilities that have arisen after the Interim Balance Sheet Date in the ordinary course of business that are not material in the aggregate, (iii) those incurred in connection with this Agreement and (iv) those not required to be reflected in the liabilities column of a balance sheet prepared in accordance with GAAP.

8.7 Contracts. Schedule 8.7 contains an accurate and complete list of all revenue generating Contracts of each Seller (and together with the Leases and Miscellaneous Contracts, the "Material Contracts") and the Material Contracts have not been amended, modified, or assigned except as set forth on such Schedule 8.7. Sellers have delivered to Purchaser true and complete copies of all written Material Contracts, as amended to the date hereof and accurate and complete summaries of all oral Material Contracts. Each of the Material Contracts is in full force and effect and constitutes a valid and binding obligation of the applicable Seller and, to Seller's Knowledge, the other party thereto. Except as disclosed in Schedule 8.7, there are no defaults, breaches or uncured violations that could lead to a default by any Seller under any of the Material Contracts. Except as disclosed in Schedule 8.7, there are no events, which with notice, the passage of time or both, would constitute such defaults, breaches or uncured violations that could lead to defaults by any Seller or, to Seller's Knowledge, any other party, under any of the Material Contracts. There are no existing disputes between any Seller and any other party to any of the Material Contracts or any party having rights under or with respect to the Material Contracts. No Seller nor any Affiliates of any Seller has received any notice that any other party to a Material Contract will cancel or terminate such Material Contract, or fail to perform its obligations under such Material Contract and to Seller's Knowledge, no other party to a Material Contract intends to cancel or terminate such Material Contract or fail to perform its obligations under such Material Contract.

8.8 Employee Benefit Plan and Related Matters.

8.8.1 Employee Pension Benefit Plans.

(a) Except as set forth in Schedule 8.8.1(a), No Seller nor any ERISA Affiliate of any Seller sponsors, maintains or has any Liability (actual or contingent) with respect to any Employee Pension Benefit Plan that covers current or former employees, directors or consultants of any Sellers (with respect to the Business).

8.8.2 Employee Benefit Matters.

(a) Schedule 8.8.2(a) contains a true and complete list of all Employee Benefit Plans that cover current or former employees, directors or consultants of any Seller (with respect to the Business). For any disclosures on Schedule 8.8.2 which are for a: (i) Multiemployer Plan, (ii) a "single-employer plan" within the meaning of Section 4001(a)(15) of ERISA, or (iii) a "multiple employer plan" within the meaning of Section 413(c) of the Code; a notation should be made on the Schedule 8.8.2(a) detailing the type of such Employee Benefit Plan from the listing within this Section 8.8.2(a). Sellers have delivered to Purchaser true, complete and correct copies of each Employee Benefit Plan (or, in the case of any unwritten Employee Benefit Plans, descriptions thereof).

(b) Except as set forth in Schedule 8.8.2(b) with respect to the Business: (i) each Employee Benefit Plan that is intended to be qualified and exempt from federal income taxes under Sections 401(a) and 501(a) of the Code, respectively, has received a favorable determination letter, opinion letter or advisory letter which it may rely on, from the IRS as to its qualified and exempt status, no such determination letter or opinion letter has been revoked nor has such revocation been threatened by the IRS, and no event has occurred that would adversely affect such Employee Benefit Plan's qualified and exempt status or materially increase its costs, and (ii) each Employee Benefit Plan has been maintained and administered in material compliance with its terms and all applicable Laws, including but not limited to ERISA and the Code.

(c) As of the date hereof and as of the Closing Date that solely with respect to the Business:

(i) No Seller nor any ERISA Affiliate of a Seller maintains any voluntary employee benefit associations under Section 501(c)(9) of the Code;

(ii) No Seller (or any Affiliate of any Seller) provides employee post-retirement medical or health coverage or contribute to or maintain any employee welfare benefit plan which provides for health benefit coverage following termination of employment with respect to employees of any Seller, except as is required by Section 4980B(f) of the Code or other applicable statute, nor has any Seller made any representations, agreements, covenants or commitments to provide such coverage; and

(iii) With respect to each Employee Benefit Plan listed in Schedule 8.8.2(a), (A) all contributions required to be paid by any Seller or any ERISA Affiliate of a Seller have been timely paid to the applicable Employee Benefit Plan, (B) no Seller nor any ERISA Affiliate of any Seller has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied, (C) a complete withdrawal from all such Employee Benefit Plans at the Effective Time would not result in any Liability to any Seller, (D) no action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such Employee Benefit Plan or to appoint a trustee for any such Employee Benefit Plan, (E) no such Employee Benefit Plan has failed to satisfy the minimum funding standards of Section 302 of ERISA or Sections 412 or 418(B) of the Code, respectively, or has applied for or obtained a waiver from the IRS of any minimum funding requirement or an extension of any amortization period under Section 412 of the Code or Sections 303 or 304 of ERISA, (F) no such Employee Benefit Plan has been required to file information pursuant to

Section 4010 of ERISA for the current or most recently completed fiscal year, and (G) no "reportable event," as defined in Section 4043 of ERISA, has occurred, or is reasonably expected to occur, with respect to any such Employee Benefit Plan.

(d) Parent and Sellers are conducting the sale of the Assets and Business for the purpose of achieving business objectives that are not related in any way to evading or avoiding potential Liability under ERISA or the Coal Act. The sale is an arms' length transaction for which Parent and Sellers are receiving reasonably equivalent value.

8.9 Labor and Employee Relations.

8.9.1 There is no (and never has been any) collective bargaining agreement, works council agreement, other labor union Contract or similar agreement applicable to any Seller with respect to any employee of any Seller and no such agreement or Contract has been requested by any employee or group of employees of any Seller nor has there been any discussion with respect thereto by management of any Seller with any employees of any Seller. No Seller, nor any Affiliate of any Seller, has received any written notification of any unfair labor practice charges or complaints pending before any agency having jurisdiction thereof nor are there any current union representation claims against any Seller involving any of the employees of any Seller. Further, to Seller's Knowledge, no such charges or claims are threatened.

8.9.2 There are no, nor have there been, in the past four (4) years, any union organizing activities or proceedings involving, or any pending petitions for recognition of, a labor union or association as the exclusive bargaining agent for, or where the purpose is to organize, any group or groups of employees of any Seller. There is not currently pending, with regard to any of its facilities, any proceeding before the National Labor Relations Board, wherein any labor organization is seeking representation of any employees of any Seller.

8.9.3 There are no strikes, work stoppages, grievances, work slowdowns or lockouts nor of any threats thereof, by or with respect to any of the employees of any Seller.

8.9.4 With respect to the Business, except as disclosed on Schedule 8.9.4, there exist: (i) no charges of discrimination or lawsuits involving alleged violations of any fair employment Law, wage payment Law, occupational safety and health Law; (ii) no pending or, to Seller's Knowledge, threatened, litigation arising out of employment relationships, or other employment-related Law, whether federal, state or local; and (iii) no pending or, to Seller's Knowledge, threatened litigation arising out of employment relationships, by any applicant, employee or former employee of any Seller or any representative of any such Person or Persons with respect to the Business. No charges or claims involving any of the facilities or employees of any Seller are pending before any administrative agency, local, state or federal, and no lawsuits involving any of such facilities or employees are pending with respect to equal employment opportunity, age discrimination, occupational safety, or any other form of alleged employment practice or unfair labor practice.

8.9.5 Each Seller has complied, in all material respects, with all applicable Laws, rules and regulations relating to employment, including, but without limitation, those relating to wages, hours, concerted activity, non-discrimination, occupational health and safety and the payment and withholding of Taxes, and no Seller has no accrued Liability for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing.

8.10 *[Intentionally Omitted]*.

8.11 Employees of Sellers.

8.11.1 Schedule 8.11.1 sets forth, with respect to any Active Employee of each Seller, such individual's (i) name, (ii) location, (iii) title, (iv) date of hire, (v) employment status (i.e., full-time, part-time or temporary), (vi) current annual base salary or hourly wage compensation as of the date hereof and (vii) any bonuses or other commission reasonably likely to be paid for the current calendar year.

8.11.2 Sellers have delivered to Purchaser true and complete copies of all employment agreements, separation agreements and any other Contracts between any Seller and any of its employees.

8.11.3 Except as set forth on Schedule 8.11.3, to Seller's Knowledge, no employee of any Seller (i) intends to terminate his or her employment with such Seller, (ii) has received an offer to join a business that may be competitive with any Seller's business and (iii) is a party to or bound by any confidentiality agreement, noncompetition agreement or other Contract (with any other Person) that may have an adverse effect on: (A) the performance by such employee of any of his or her duties or responsibilities as an employee of such Seller or (B) the business or operations of any Seller.

8.12 Insurance.

8.12.1 Each Seller, either directly or indirectly through an Affiliate, has maintained with respect to the Business such policies of insurance for its benefit in respect of its operations, properties, assets and Business, including group insurance and any other life, health, disability or other insurance for benefit of employees or their dependents or both, as such Seller determined to be reasonably necessary for such purposes, taking into account the nature and size of its business, and comparable determinations made by similar businesses and all such current insurance policies are set forth on Schedule 8.12.1. Each Seller has paid all premiums due, and has otherwise performed its obligations, under each of its insurance policies.

8.12.2 Schedule 8.12.1 contains an accurate and complete list of all property, casualty, workers' compensation and commercial general liability insurance policies (specifying the type of policy, the insurer, the amount of the coverage and the current policy term) presently maintained by Sellers applicable to their operations, properties, assets and business and all of these policies are still in full force and effect and these policies or policies substantially similar to these policies have been in full force and effect without interruption for the four (4) year period prior to Closing Date. There are no claims related to the Business, the Assets or the Assumed Liabilities pending under any such insurance policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Except as occurring in the ordinary course of business, no Seller has received any written notice of cancellation of, a material premium increase with respect to, or material alteration of coverage under, any of such insurance policies. All premiums due on such insurance policies have either been paid or, if not yet due, accrued. All such insurance policies (i) are in full force and effect and enforceable in accordance with their terms; (ii) are provided by carriers who, to Seller's Knowledge, are financially solvent; and (iii) have not been subject to any lapse in coverage. No Seller is in default under, and is in compliance with, in all material respects, all provision contained in any such insurance policy.

8.12.3 Each Seller is and at all times has been in compliance with all Laws relating to its Liabilities and obligations for the payment of workers' compensation benefits and federal and state occupational disease benefits. Schedule 8.12.3 shows a true and complete list, dated as of November 30, 2014 of all pending claims against the Business for any such benefits.

8.13 *[Intentionally Omitted]*

8.14 *[Intentionally Omitted]*

8.15 *[Intentionally Omitted]*

8.16 *[Intentionally Omitted]*

8.17 Litigation, Investigations and Claims.

8.17.1 Schedule 8.17.1 sets forth a true, complete and correct list of (i) all existing and pending to Seller's Knowledge, threatened litigation, arbitration, judgment, court order, decree, injunction, administrative order, claim (including, without limitation, any claim for withdrawal Liability under any Employee Benefit Plan), dispute or process against or by any Seller or against or related to the Assets or the operation of the Business (collectively "Litigation");

8.17.2 Except as set forth on Schedule 8.17.2, with respect to any Seller, the Assets or the operation of the Business (i) there is no formal investigation, cessation order or notice of violation or other proceeding, administrative or otherwise, (ii) there are no conditions which could reasonably be expected to result in the commencement of any of the foregoing, and (iii) no such formal investigation, cessation order or notice of violation or other proceeding, administrative or otherwise is pending or, to Seller's Knowledge, threatened, that, in each case, would prevent or hinder the consummation of the Transactions;

8.17.3 No Seller is in default in respect of any order, writ, injunction, decree or process of any arbitrator or Governmental Authority; and

8.17.4 Except as set forth on Schedule 8.17.1, no Seller nor any Affiliates of any Seller has received notice with respect to an unresolved charge of violation of any provision of any Law or administrative ruling or regulation relating to the Assets or the operation of the Business.

8.18 Laws and Regulations. Each Seller is in compliance, in all material respects, with all Laws, Permits, bonds related thereto, and Licenses relating to the Business and Assets, except as disclosed in Schedule 8.18 attached hereto. Except as set forth on Schedule 8.18, no Seller nor any Affiliates of any Seller has received (i) any notification from any Governmental Authority (a) asserting that any Seller is in violation of any of the Laws, Permits or bonds related thereto, or Licenses, or (b) threatening to revoke any Permits or bonds related thereto, or Licenses or (ii) any notice from any Governmental Authority indicating any Permits or bonds related thereto or Licenses being sought or renewed by any Seller will be denied by the applicable Governmental Authority.

8.19 Permits and Surety Bonds; Other Licenses.

8.19.1 Schedule 8.19.1 attached hereto is a complete list of (i) all of the mining permits and other permits, approval, clearances and authorizations held by each Seller in the operation of the Business and Assets, together with a description of the permitted property or facility, together with a true and complete list of all pending applications for additional permits or amendments to existing permits which have been submitted to any Governmental Authority or other entity by any Seller applicable to the operation of the Business (all such permits being herein referred to as the "Permits"); (ii) the applicable surety bonds (or similar financial assurances) and the amount of the surety bonds or other financial assurances under the Permits, and (iii) all of the licenses, franchises, certificates, authorizations, approvals, orders, and concessions held by any Seller and used in connection with the operation of the Business, together with a true and complete list of all pending applications for additional licenses franchises, certificates, authorizations, approvals, orders, and concessions or amendments to existing licenses, franchises, certificates, authorizations, approvals, orders, and concessions which have been submitted to any Governmental Authority or other entity by any Seller applicable to the operation of the Business (collectively, herein referred to as the "Licenses"), as amended, supplemented and modified.

8.19.2 The Permits and Licenses constitute all of the governmental permits, licenses, approvals, clearances, authorizations, franchises, certificates, orders and concessions necessary for the current operation of and the current conduct of all aspects of the Business and Assets, and all of the Permits, bonds related thereto, and the Licenses are final, unappealed, valid, in good standing and in full force and effect. Each Seller is in compliance, in all material respects, with the Permits, bonds related thereto, and Licenses. Except as set forth in Schedule 8.19.2, no suspension, revocation or cancellation of any of the

Permits, or bonds related thereto, or Licenses is pending or, to Seller's Knowledge, threatened, except with respect to regular periodic expirations and renewals thereof, which renewals Sellers and Parent have no reason to believe will not be granted. No Seller has had any Permits, bonds related thereto, or Licenses, or any applications therefor, appealed, denied, revoked, restricted or suspended and is not currently a party to any proceedings involving the possible appeal, denial, revocation, restriction or suspension of any Permits, bonds related thereto, or Licenses or any of the privileges granted thereunder. No Seller, nor any Affiliate of any Seller, is permit blocked under the provisions of the Applicant Violator System (or any similar system) by any Governmental Authority ("AVS").

8.20 Books and Records**.** The books, records and accounts of the Business accurately and fairly reflect its transactions and assets and liabilities of the Business.

8.21 Consents. Parent's and Sellers' entering into of this Agreement and the completion of the Transactions do not require the consent, waiver or approval of or notice to (collectively, the "Consents") (i) any lessor, landlord or other third party under any of the Leases, (ii) any party, other than a Seller, under the Assumed Contracts, except for both (i) and (ii) those Consents listed on Schedule 8.21, or (iii) except as may be provided for under the Permit Operating Agreement, any Governmental Authority other than pursuant to the HSR Act. Additionally, Parent's and Sellers' entering into of this Agreement and the consummation of the Transactions will not constitute a default, or trigger any acceleration rights or other rights, under any of the Assumed Contract subject to receipt of the Consents listed on Schedule 8.21.

8.22 Customers. With respect to the Business, Schedule 8.22 sets forth a list of the customers of Sellers by sales revenue for the year 2013 and for the first nine months of 2014. With respect to the current customers to whom Purchaser will be making coal deliveries after Closing: (i) the Accounts Receivable from such customers are current and being paid in accordance with each customer's respective coal supply agreements; and (ii) there are no outstanding quality or quantity adjustments to pricing that will cause a material deduction from, or delay, any payments to be received by Purchaser. No Seller, nor any Affiliates of any Seller, has received any notice (orally or in writing), and has no Knowledge, that any of its customers will cancel, terminate, or fail to perform its obligations under their existing coal supply Contracts.

8.23 Suppliers. With respect to the Business, Schedule 8.23 sets forth a list of the ten (10) largest suppliers of Sellers by dollars for the year 2013 and for the first nine months of 2014. No Seller nor any Affiliates of any Seller have received any notice and has no reason to believe, that any such supplier has ceased, or intends to cease to supply goods or services to any Seller or to otherwise terminate or materially reduce its relationship with any Seller.

8.24 Eminent Domain or Condemnation Proceedings. There are no eminent domain or condemnation proceedings pending or, to Seller's Knowledge, threatened against the Real Property.

8.25 *[Intentionally Omitted]*

8.26 Taxes.

8.26.1 *Filing of Tax Returns.* Each Seller has properly prepared and duly and timely filed (in accordance with any extensions duly granted by the appropriate Governmental Authority, if applicable) with the appropriate Governmental Authorities all Tax Returns and reports required to be filed with any Governmental Authority. All such Tax Returns or reports are true, complete and accurate in all respects. No jurisdiction in which Sellers do not file a Tax Return has made a claim that any Seller is required to file a Tax Return in such jurisdiction.

8.26.2 *Payment of Taxes.* Except for such items as a Seller may be disputing in good faith by proceedings in compliance with applicable Law, each of which is described in Schedule 8.26.2 of the Disclosure Schedules, (i) each Seller has paid all Taxes that have become due with respect to any Taxes for any tax year ending on or before the Closing Date or any partial tax year that includes any period prior to the Closing Date (whether or not shown on any Tax Return) and has properly accrued on its books and records for all of the same that have not yet become due and (ii) no Seller is delinquent in the payment of any Tax. The unpaid Taxes of Sellers (i) did not, as of the date of the Interim Balance Sheet Date, exceed the applicable reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Interim Balance Sheet and (ii) will not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Sellers in filing Tax Returns.

8.26.3 *No Pending Deficiencies, Delinquencies, Assessments or Audits.* No Seller, nor any Affiliates of any Seller, have received any notice or received any other communication from any Governmental Authority that any Tax deficiency or delinquency has been asserted against Seller that could result in an Encumbrance on any of the Assets. No Seller, nor any trustee, director or officer (or employee responsible for Tax matters) of any Seller expects any authority to assess any additional Taxes for any period for which Tax Returns have been filed. There is no unpaid assessment, proposal for additional Taxes, deficiency or delinquency in the payment of any of the Taxes of any Seller that has been asserted by any Governmental Authority. Other than routine audits of the consolidated Tax Returns of Parent, none of which are directly targeted at a Seller, the Assets or the Business, no Seller, nor any Affiliate of any Seller, has received notice or received any other communication from any Governmental Authority that a Governmental Authority audit of any Seller is pending or such audit is threatened. The results of any completed audits are properly reflected in the Financial Statements.

8.26.4 *Extension of Limitation Period.* There are no Encumbrances (other than Permitted Encumbrances) for Taxes upon any Assets. No Seller has requested an extension of time within which to file any Tax Return with respect to any taxable period for which a Tax Return has not since been filed. No Seller has granted an extension to any Governmental Authority of the limitation period during which any Tax liability may be assessed or collected.

8.26.5 *Withholding Requirements Satisfied.* All monies required to be withheld by any Seller and/or paid to Governmental Authorities for social security, Medicare, unemployment insurance, and all income, sales, excise, use, and other Taxes have been collected or withheld and/or paid to the respective Governmental Authorities in accordance with applicable Law.

8.26.6 *Section 168 Property*. None of the assets of any Seller are “tax-exempt use property” or “tax-exempt bond financed property” within the meaning of Section 168 of the Code. No Seller is a party to any “long-term contract” within the meaning of Section 460 of the Code.

8.26.7 *Boycotts.* No Seller has at any time participated in or cooperated with any international boycott as defined in Section 999 of the Code.

8.26.8 *[Intentionally Omitted]*

8.26.*9* *Pass-through Entities.* No Seller is a party to any joint venture, partnership or other arrangement that is treated as a partnership or as a disregarded or transparent entity for any Tax purpose.

8.26.10 *Taxes Through the Closing Date*. In addition to the foregoing, each Seller shall pay any and all Taxes that may be now or hereafter due with respect to the Assets, the Business or the activities of any Seller through and including the Closing Date, except as set forth in this Agreement. Each Seller specifically acknowledges that it and not Purchaser shall be responsible for any and all such payments and Liabilities, except as otherwise expressly set forth in this Agreement.

8.27 <u>No Brokers</u>. Other than as set forth on <u>Schedule 8.27</u>, all negotiations relative to this Agreement and the Transactions have been conducted and carried out by Sellers and Parent (and their respective Affiliates) directly with Purchaser and without the assistance or intervention of any other Person so as, through action of, or on behalf of, any Seller, to give rise to any valid claim against Purchaser for a finder's fee, broker's fee, commission or other like payment. Except as set forth on Schedule 8.27, no Seller has engaged, retained or contracted with any finder, broker, investment banker or similar Person with respect to the purchase of the Assets or of any part thereof, so as to incur any Liability for a finder's, broker's or similar Person's fee, commission or like payment in connection with the execution of this Agreement or the consummation of the Transactions. Except as set forth on Schedule 8.27, each Seller represents that it does not owe any brokers or finder fees or any other similar type of payment to any Person or entity with respect to relating to the sale of the Assets.

8.28 Disclaimer. EXCEPT AS SET FORTH IN THIS ARTICLE 8, SELLERS AND PARENT MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND THE ASSETS OF SELLERS AND THE BUSINESS ARE BEING TRANSFERRED "AS IS, WHERE IS" ON THE CLOSING DATE, IN THEIR THEN PRESENT CONDITION. SELLERS AND PURCHASER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, AND WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. In particular, Purchaser acknowledges that, without limiting the foregoing disclaimer, except as expressly set forth in ARTICLE 8, no Person is making or has made any representation or warranty to Purchaser with respect to any oral or written information presented to Purchaser during any management presentation including any question and answer session thereto or any oral or written information provided to Purchaser in the course of its due diligence investigation of Sellers or the Business, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers and Parent that the following statements are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date:

9.1 Organization and Status of Purchaser. Purchaser is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware.

9.2 Authority. Purchaser has full right and authority to execute and deliver this Agreement and any other documents pertaining to the Transactions to which Purchaser is a party, to perform its obligations hereunder and to consummate the Transactions. All required corporate action with respect to Purchaser has been taken to approve this Agreement and the Transactions and no other action on the part of Purchaser is necessary to authorize this Agreement. This Agreement has been duly executed and delivered by Purchaser and constitutes the valid and binding obligation of Purchaser, enforceable in accordance with its terms, subject, however, to the effect of, and then only to the extent that enforceability may be limited by, bankruptcy, insolvency, reorganization, moratorium and similar Laws relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution and delivery of this Agreement, the consummation of the Transactions, and the performance by Purchaser of this Agreement in accordance with its terms shall not require the approval or consent of, or notice to or filing with, any foreign, federal, state, county, local or other governmental or regulatory body, except as necessary for transfer of the Permits and bonds related thereto and the designation of Purchaser as operator thereunder pending transfer to Purchaser.

9.3 No Breach. The execution, delivery and performance by Purchaser of this Agreement and any other documents pertaining to the Transactions to which Purchaser is a party do not, and will not, (i) conflict with, violate or breach, or default under, any provision of the certificate of formation, operating agreement or other organizational documents of Purchaser or (ii) conflict with, or result in any violation of, or breach under, any Law, rule or regulation, or any judgment, injunction, order, decree, permit or license of any judicial or administrative authority or any arbitrator applicable to Purchaser, (iii) conflict with, result in violation of, breach of, or with notice or the passage of time or both, would result in breach by Purchaser, or constitute a default under, or result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract, lease or other agreement to which Purchaser is a party or by which it or any of its property may be bound, or (iv) result in the creation or imposition of any Encumbrance (other than Encumbrances granted to Purchaser's financing source in connection with Purchaser's financing of the Purchase Price). Purchaser is not a party to any agreement or lease, nor is Purchaser bound by, any judgment, injunction or decree of any court or Governmental Authority, which in any respect may restrict or interfere with the performance of this Agreement.

9.4 Consents. Except with regard to the Permits and any filing required pursuant to the HSR Act, no consent, approval or action of, filing with or notice to, any Governmental Authority or any other person or entity, on the part of Purchaser is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

9.5 Brokers. Other than any Person identified in Schedule 9.5, all negotiations relative to this Agreement and the Transactions have been conducted and carried out by Purchaser directly with Sellers and Parent and without the assistance or intervention of any other Person so as, through action of Purchaser, to give rise to any valid claim against any Seller for a finder's fee, broker's fee, commission or other like payment. Except as set forth in Schedule 9.5, Purchaser has not engaged, retained or contracted with any finder, broker or similar Person with respect to the purchase of the Assets or of any part thereof, so as to incur any Liability for a finder's fee, broker's fee, commission or like payment in connection with the execution of this Agreement or the consummation of the Transactions.

9.6 Permitting. Except as set forth on Schedule 9.6, neither Purchaser nor any person or entity that, together with any Affiliate of Purchaser, owns ten percent (10%) or more of the equity interests of Purchaser has been subject to any bond forfeiture, permit suspension or revocation or similar effort or any Proceeding instituted by any Governmental Authority that would prohibit the transfer of the Permits to Purchaser. Neither Purchaser nor any person or entity "owned or controlled" by Purchaser or any of their respective Affiliates, has been notified by the Federal Office of Surface Mining or the agency of any state administering SMCRA (or any comparable state statute), that it is currently (a) ineligible to receive additional surface mining permits or (b) under investigation to determine whether its eligibility to receive such permits should be revoked, i.e., "permit blocked." As used in this Section 9.6, "owned or controlled" shall be defined as set forth in 30 C.F.R. Section 773.5 (1991); and "Proceeding" shall mean any action, suit, proceeding, arbitration, investigation or audit, whether or not by any Governmental Authority.

9.7 Ownership and Control File. To the extent required, Purchaser has filed with the applicable Governmental Authorities an ownership and control file necessary to facilitate the timely transfer of the Permits to Purchaser as such timing is contemplated under the terms of this Agreement.

9.8 Financing. Purchaser has all funds necessary or will have at Closing (or has fully committed debt financing for all funds necessary) to consummate the Transactions, including, without limitation, (a) all funds necessary for it to pay the Purchase Price at Closing, (b) all funds necessary to pay all fees, expenses and other amounts contemplated to be paid by Purchaser under this Agreement, and (c) the credit capacity sufficient to post new letters of credit and bonds and issue new guaranties, as necessary, in accordance with the terms of this Agreement.

ARTICLE 10 COVENANTS OF PARTIES

10.1 Access to Information. Between the date of this Agreement and the Closing Date, Sellers shall (i) afford Purchaser and its authorized representatives (including its designated engineers and consultants) reasonable access to the Real Property and all offices, preparation plants, underground mine workings and other facilities of the Business and to all books and records relating to the Business, (ii) permit Purchaser to make such inspections and to make copies of such books and records as it may reasonably require and (iii) furnish Purchaser with such financial and operating data and other information concerning the Business as Purchaser may from time to time reasonably request, including without limitation, evidence of the payment of royalties under the Leases. Purchaser and its authorized representatives shall conduct all such inspections and inquiries in a manner that will minimize disruptions to the business and operations of the Business. Without limitation, Purchaser and Sellers shall, beginning immediately upon the date of this Agreement and continuing until Closing, conduct a joint pre-closing review, audit and investigation to confirm the quantities and quality of Coal Inventory, Parts and Supplies Inventory, the existence and location of the Equipment and Fixed Assets and other quantification and valuation procedures, for the purpose of verifying the same and determining the adjustments to the Base Purchase Price as set forth in Section 2.5.

10.2 Continuation of Business. With respect to the Business, Sellers and Parent shall, and shall cause their respective Affiliates to, from the date of this Agreement through the Closing Date:

10.2.1 carry on the Business in a proper and prudent manner and, except as contemplated in order to consummate the Transactions, in substantially the same manner as it has heretofore and not introduce any material new method of management, operation or accounting, including maintaining all inventories of the Business to the same amounts on average that they have been historically maintained over the last 12 months;

10.2.2 maintain the Assets in as good working order and condition as at present, ordinary wear and tear excepted;

10.2.3 perform all its obligations under the Material Contracts, Leases and other Contracts relating to or affecting the Assets;

10.2.4 keep in full force and effect the current insurance policies that cover Sellers without being in default or failing to give any notice or present any claim thereunder;

10.2.5 use its commercially reasonable efforts to assist Purchaser in hiring the services of the Active Employees of the Business that Purchaser desires to hire;

10.2.6 use its commercially reasonable efforts to maintain and preserve each Seller's business organization intact, maintain each Seller's relationship with its vendors, customers and others having business relations with it, operate and maintain the Business in a sound and prudent manner and not allow any Assumed Contract, Permit, License, franchise, certificate or privilege necessary for the operation of the Business to lapse, terminate or be in default and not to violate any Law, Permit or License. Sellers will timely file all required reports and notices with the applicable Governmental Authorities and will properly and timely pay all bonuses, rentals, royalties, or other payments due and owing with respect to the Assets and the operation of the Business;

10.2.7 notify the Purchaser in writing of any new revenue-generating Contract (including any purchase orders), including the name of the counter-party and the material terms of the new Contract;

10.2.8 with respect to the Business, collect or withhold all amounts required to be collected or withheld by any Seller or any Affiliates of any Seller for income, social security, unemployment, excise, or any other Taxes or assessments and pay to the appropriate Governmental Authorities or set aside in appropriate accounts any such amounts;

10.2.9 not enter into or in any way take steps to enter into any collective bargaining agreement or other labor agreement with any union or other labor organization; and

10.2.10 comply, in all material respects, with all applicable Laws.

10.3 No Changes in Business. Except as permitted herein, Sellers and Parent shall not, and shall cause their respective Affiliates to not:

10.3.1 with respect to the Business, except in the ordinary course of business, enter into any Contract or commitment that will result in the incurrence of any Liability or make any capital expenditures;

10.3.2 amend any Assumed Contract in a manner that is materially adverse to the Business provided that, Parent shall provide Purchaser written notice of any such amendments;

10.3.3 sell, assign, lease or otherwise transfer or dispose of any of the Assets except the sale of coal in the ordinary course of business;

10.3.4 merge or consolidate any Seller or agree to merge or consolidate any Seller with or into any other Person;

10.3.5 cause any Seller (or any subsidiary of any Seller) to purchase all or substantially all of the assets of another Person;

10.3.6 cause any Seller (or any subsidiary of any Seller) to purchase the equity interests of any other Person;

10.3.7 enter into or amend any Contract, or enter into any other transaction, directly or indirectly, with any Affiliate other than cash management and treasury transactions in the ordinary course of business;

10.3.8 effect any material change in the conduct of the Business in violation of Section 10.2 above;

10.3.9 take any action or fail to take any action that would make any of the representations and warranties made by Sellers and/or Parent in or pursuant to this Agreement (other than the Fundamental Reps made by Sellers and Parent) incorrect in any material respect as of the Closing Date; or

10.3.10 take any action or fail to take any action that would make any of the Fundamental Reps of Sellers and Parent incorrect in any respect as of the Closing Date.

10.4 Information for Applications. The Parties shall cooperate with each other, their representatives and counsel in the preparation of any documents or other material which may be required by any Governmental Authority in connection with the Transactions.

10.5 Consents and Approvals. Sellers and Parent shall use commercially reasonable efforts, as set forth in this Agreement, to secure all Consents that are necessary to effect the Transactions. Such commercially reasonable efforts shall not require any payment or other consideration from the Parties. Upon the reasonable request of Parent and Sellers, Purchaser shall provide commercially reasonable assistance to Sellers and Parent to effect securing such Consents.

10.6 Interview of Employees. As a means of permitting an orderly transition of the Business, Sellers and Parent will permit Purchaser reasonable access to the employees of any Seller prior to Closing for purposes of completing Purchaser's due diligence.

10.7 Tax Matters. The following provisions shall govern the allocation of responsibility as between the Parties for certain Tax matters following the Closing Date.

10.7.1 Responsibility for Filing Income Tax Returns. With respect to income Taxes, franchise Taxes and other Taxes based on income, the Parties shall each be responsible for the filing of its own Tax Returns and payment of any Taxes imposed on it that arise from the Transactions contemplated by this Agreement or otherwise.

10.7.2 Certain Taxes and Fees. Purchaser shall pay one-half and Parent shall pay one-half of all Transfer Taxes in connection with the sale, conveyance, assignment, transfer and delivery of the Assets to the Purchaser and the consummation of the Transactions contemplated by this Agreement.

Purchaser shall pay one-half and Parent shall pay one-half of all document recording costs and fees incurred in connection with the public filing of the transfer documents associated with the Assets. Purchaser shall pay one-half and Parent shall pay one-half of all filing fees associated with any filing required pursuant to the HSR Act.

10.7.3 Cooperation on Tax Matters. After the Closing, upon reasonable written notice, the Parties shall furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance (to the extent within the control of such Party) relating to the Assets and the Business (including, access to books and records) as is reasonably necessary for the filing of all Tax Returns, and making of any election related to Taxes, the preparation for any audit by any Taxing authority and the prosecution or defense of any Action related to any Tax Return. The Parties shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the Assets or the Business. Sellers and Parent shall use commercially reasonable efforts to provide Purchaser with such information that is in each Seller's or Parent's possession and is reasonably requested by Purchaser to identify the jurisdictions in which Tax Returns are required to be filed, or Taxes are required to be paid, and the types of Tax Returns required to be filed, in each case with respect to the Business or the Assets.

10.8 Efforts and Actions to Cause Closing to Occur.

10.8.1 Prior to the Closing, upon the terms and subject to the conditions of this Agreement, the Parties shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done and cooperate with each other in order to do, all things necessary, proper or advisable (subject to any applicable Laws) to consummate the Transactions as promptly as practicable including the preparation and filing of all forms, registrations and notices required to be filed to consummate the Transactions and the taking of such actions as are necessary, proper or advisable to obtain any required approvals, authorizations, Consents, orders, Licenses, Permits, bonds related thereto, qualifications, exemptions, waivers, certificates, franchises and registrations by any third party or Governmental Authority. In addition, neither Party hereto shall take any action after the date hereof that could reasonably be expected to materially delay the obtaining of, or result in not obtaining, any permission or Consent from any Governmental Authority or other Person required to be obtained prior to Closing.

10.8.2 Prior to the Closing, each Party shall promptly notify the other, provide any necessary information with respect to, all filings made by such Party with any Governmental Authority in connection with this Agreement and the Transactions. Each Party hereto shall promptly provide the other Party with copies of any written communication received by such Party from any Governmental Authority regarding any of the Transactions. If either Party or an Affiliate thereof receives a request for additional information or documentary material from any such Governmental Authority with respect to any of the Transactions, then such Party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after notification to the other Parties, an appropriate response in compliance with such request. To the extent that transfers, amendments or modifications of permits (including the Permits and bonds related thereto) are required as a result of the execution of this Agreement or consummation of any of the Transactions, Sellers and Parent shall use commercially reasonable efforts consistent with its obligations set forth in this Agreement to cooperate with Purchaser and provide commercially reasonable assistance as needed to effect such transfers, amendments or modifications.

10.8.3 Sellers and Parent shall use commercially reasonable efforts to obtain, at or prior to the Closing, an unconditional release of any Encumbrance, mortgage or lien other than the Permitted Encumbrances, on the Assets.

10.9 Notification of Certain Matters; Updating of Disclosure Schedules.

10.9.1 Prior to the Closing, Sellers and Parent shall give written notice to Purchaser promptly after becoming aware of (i) the occurrence or non-occurrence of any event whose occurrence or non-occurrence would cause either (a) any representation or warranty made by any Seller or Parent contained in this Agreement (other than the Fundamental Reps) to be untrue or inaccurate in any material respect at any time from the date hereof to the Closing Date or after the Closing Date, (b) any Fundamental Rep made by any Seller or Parent to be untrue or inaccurate in any respect at any time from the date hereof to the Closing Date or after the Closing Date (c) any condition of Purchaser set forth in ARTICLE 6 to be incapable of being satisfied prior to the Closing Date, or (d) any condition set forth in ARTICLE 5 to be incapable of being satisfied prior to the Closing Date, and (ii) any failure of any Seller or Parent to comply with or satisfy any covenant or agreement in any material respect, or any condition to be complied with or satisfied by either of them hereunder.

10.9.2 On or immediately before the Closing Date, Seller and Parent may amend or supplement the Disclosure Schedules to reflect any matter that arises after the date hereof that, if existing or known on the date hereof, would have been required to be disclosed in such Disclosure Schedules; provided, however, that no such supplement or amendment shall have any effect on the satisfaction of Purchaser's condition to closing set forth in Section 6.1.6; provided, however, if the Closing shall occur, then Purchaser (and each other Purchaser Indemnified Party) shall be deemed to have waived any right or claim based upon a breach of a representation or warranty set forth in ARTICLE 8 pursuant to Section 11.2.1 (other than any claim based upon fraud or willful misconduct), with respect to any and all matters disclosed pursuant to any such supplement or amendment of the Disclosure Schedule made by Parent or Seller at or prior to the Closing to the extent that such disclosure complies with the terms of this Agreement.

10.9.3 Prior to the Closing, Purchaser shall give written notice to Sellers promptly after becoming aware of (i) the occurrence or non-occurrence of any event whose occurrence or non-occurrence would cause either (a) any representation or warranty made by Purchaser contained in this Agreement (other than Fundamental Reps) to be untrue or inaccurate in any material respect at any time from the date hereof to the Closing Date or after the Closing Date, (b) any Fundamental Rep made by Purchaser to be untrue or inaccurate in any respect at any time from the date hereof to the Closing Date or after the Closing Date (c) any condition of Sellers set forth in ARTICLE 7 to be incapable of being satisfied prior to the Closing Date, or (d) any condition set forth in ARTICLE 5 to be incapable of being satisfied prior to the Closing Date, and (ii) any failure of Purchaser to comply with or satisfy any covenant or agreement in any material respect, or any condition to be complied with or satisfied by it hereunder.

10.10 Permit Matters. As soon as possible following the Closing, but in no event more than five (5) Business Days after the Closing, Purchaser shall apply with the appropriate Governmental Authority for the transfer of the Permits and all bonds related thereto to Purchaser, including operator assignment filings, and provide copies of all filings therefor to Sellers. From and after the Closing, Purchaser shall diligently pursue the transfer of the Permits and all bonds related thereto to the Purchaser, and Purchaser shall be authorized to operate under the Permits and all bonds related thereto in accordance with applicable Laws and the terms and conditions contained in the Permit Operating Agreement. Sellers and Parent shall diligently provide any cooperation needed to bring about the transfer of the Permits and all bonds related thereto. Purchaser, at all times prior to the transfer of the Permits, and all bonds related thereto, to the Purchaser, shall: (i) comply with all applicable Laws governing, and all conditions and requirements of, or pertaining to, any such Permits and the bonds related thereto that the Purchaser operates under; and (ii) be solely responsible for all incidents of violation, non-compliance, and similar occurrences related to Purchaser's operations under the Permits and the bonds related thereto. Purchaser shall promptly deliver to Sellers written notice of any such incidents or occurrences, which Sellers shall have the right, but not the obligation, to cure (including right of entry onto the applicable Real Property). Each Seller shall have (and the Purchaser grants) all rights of entry onto the Real Property necessary, in each Seller's sole discretion, for such Seller to maintain the Permits prior to transfer. Purchaser shall indemnify Sellers from and against any and all Losses incurred or suffered by any Seller, including, without limitation, any and all demands, causes of actions, lawsuits, complaints and other claims resulting from or arising out of such use of the Permits by Purchaser.

10.11 Records of Business.

10.11.1 For a period of five (5) years after the Closing Date, Sellers and Parent shall maintain at the Parent's principal office originals or copies of all accounting and other files, records, documents and physical data relating to the Assets and the Business (collectively the "Business Records") that are not transferred as part of the Assets, including any schematics, books, manuals, technical information and engineering data and reports, core hole data, environmental assessments, programming information, computerized data, books of account, employment compensation and benefit records, customer lists and files (including customer data relating to sales of coal within the last two (2) years from the Business and current and former customers' credit records), quality records and reports, research records, cost information, pricing data, market surveys, mailing lists, purchase and sale records and correspondence, advertising records, other survey documents, business plans, test results, borings, product specifications, drawings, diagrams, training manuals, maps, reserve studies, personnel files, workers' compensation files, black lung claim files or other files related to the Business. For a period of five (5) years after the Closing Date, Purchaser shall have the right to inspect, review and copy the Business Records, except to the extent Sellers and Parent are prohibited from disclosing such records to Purchaser pursuant to applicable Law or Contract (other than an Assumed Contract).

10.11.2 For a period of five (5) years after the Closing Date, Purchaser shall maintain at Purchaser's principal office originals or copies of all accounting and other files, records, documents and physical data relating to the Assets and the Business (collectively the "Other Records") that are transferred to Purchaser as part of the Assets, including any personnel records of Continuing Employees. For a period of five (5) years after the Closing Date, Seller shall have the right to inspect, review and copy the Other Records for the purposes identified in Section 10.11.3, except to the extent Purchaser is prohibited from disclosing such records to Seller pursuant to applicable Law or Contract (other than an Assumed Contract).

10.11.3 Each of the Parties, as applicable, shall reasonably cooperate as to and to the extent reasonably requested by the other, in the conduct of any audit, litigation or other proceeding to the extent relevant to the Business, the Assets, the Excluded Assets, the Excluded Liabilities or the Continuing Employees.

10.12 Customer Interviews. After the signing of this Agreement and prior to the Closing, Sellers and Parent shall fully cooperate with Purchaser in its efforts to interview certain material customers of Sellers as specified by Purchaser and agreed to by such Seller (and such agreement not to be unreasonably withheld or delayed) including arranging meetings between Purchaser and all such customers. The Parties shall use commercially reasonable efforts to agree upon the timing of and a process by which any such key customer visits shall take place.

10.13 Release of Guarantees. Purchaser shall use commercially reasonable efforts to obtain the (i) releases of the guarantees of Parent and its Affiliates in relation to certain coal sales agreements and coal leases as set forth on Schedule 10.13 (the "Guarantees") and (ii) the consents to novate the Guarantees.

10.14 Sellers' Insurance Policies. Sellers shall be solely responsible for any additional premiums, including associated Taxes and fees that may be due for insurance policies listed in Schedule 8.12.1 following the Closing Date as a result of a premium audit by the insurer or its representatives. Purchaser acknowledges that any premium return, including associated Taxes and fees, as a result of such audits and/or return of pre-paid premium by insurers following termination of insurance for Business by Sellers applicable to the period on or after the Closing Date shall be retained by Sellers for their sole benefit.

10.15 Baisden-Vaughan Lease. With respect to the Baisden-Vaughan Lease, commencing promptly after the date hereof, the Parties shall fully cooperate with each other to obtain a resolution of the dispute with the lessor of the Baisden-Vaughan Lease that is mutually acceptable to the Parties prior to the Closing which, unless the Parties otherwise agree, will include, at a minimum, a consent by such lessor to the assignment of the Baisden-Vaughan Lease to Purchaser and an estoppel certificate from such lessor that there does not exist any defaults under the Baisden-Vaughan Lease and that such lease is still in full force and effect. In the event that the Parties are unable to get a resolution to the dispute with the lessor of the Baisden-Vaughan Lease that is reasonably acceptable to all Parties, then the Parties shall negotiate in good faith to amend this Agreement to remove the Baisden-Vaughan Lease as an Asset (and make it an Excluded Asset) and make a corresponding adjustment to either the Purchase Price or the Target Base Working Capital.

ARTICLE 11 INDEMNITIES

11.1 Survival of Representations, Warranties, Covenants and Agreements. All of the representations and warranties contained in this Agreement shall survive the Closing for a period of eighteen (18) months; provided, however, that the Fundamental Reps shall survive indefinitely and the representations and warranties set forth in Sections 8.6.5 (Environmental Matters), and 8.26 (Taxes) shall survive the Closing until ninety (90) days after the date on which the statute of limitations applicable to the matter covered by such representation or warranty expires; provided further, that if written notice of a claim has been given before the expiration of the applicable representations and warranties, then the relevant representations and warranties shall survive as to such claim, until such claim has been finally resolved. All covenants contained this Agreement shall survive the Closing.

11.2 Indemnification by Sellers and Parent. Following the Closing, Sellers and Parent shall jointly and severally indemnify and hold harmless the Purchaser, its Affiliates and their respective officers, directors, managers, employees, agents, direct and indirect equity owners successors and assigns (each a "Purchaser Indemnified Party" and collectively, the "Purchaser Indemnified Parties") from and against any and all Losses, whether or not the possibility of such Losses has been disclosed to any Seller or Parent in advance, or whether or not such Losses could have been reasonably foreseen by any Seller or Parent, arising out of or resulting from:

11.2.1 any inaccuracy in or breach of any representation or warranty of any Seller or Parent contained in this Agreement or in any certificate or instrument delivered by or on behalf of any Seller or Parent pursuant to this Agreement;

11.2.2 any breach of any covenant or agreement made by any Seller or Parent in this Agreement;

11.2.3 all Actions, litigation, arbitration, investigations or other proceedings, administrative or otherwise, now pending or later brought against Purchaser Indemnified Parties to the extent resulting from any condition existing, event occurring, or business conducted by any Seller or any Affiliates of any Seller on or before the Closing Date, including the Litigation;

11.2.4 the Excluded Assets;

11.2.5 the Excluded Liabilities;

11.2.6 (i) unfunded or underfunded pension Liabilities of any Seller, Parent or any of their respective Affiliates and all Liabilities under the pension plans and other Employee Benefit Plans of any Seller, Parent or any of their respective Affiliates, (ii) any severance benefits and termination Liabilities for employees of any Seller and (iii) any other Seller employee-related claims or Actions arising from acts, omissions, circumstances or conditions occurring on or before the Closing Date; and

11.2.7 any business of any Seller or any Affiliates of any Seller other than the Business.

11.3 Indemnification by Purchaser. Following the Closing, Purchaser shall indemnify and hold harmless Sellers and Parent, their respective Affiliates and their respective officers, directors, members, employees, agents, direct and indirect equity owners, successors and assigns (each a "Seller Indemnified Party" and collectively, the "Seller Indemnified Parties") from and against any and all Losses, whether or not the possibility of such Losses has been disclosed to the Purchaser in advance, or whether or not such Losses could have been reasonably foreseen by the Purchaser, arising out of or resulting from:

11.3.1 any inaccuracy in or breach of any representation or warranty of Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of Purchaser pursuant to this Agreement;

11.3.2 any breach of any covenant or agreement made by Purchaser in this Agreement;

11.3.3 the Assumed Liabilities;

11.3.4 the Purchaser's ownership, use or operation of the Assets or the Business after the Closing Date; and

11.3.5 any and all claims made against each Seller's Permits or surety bonds prior to the time the same are transferred to Purchaser for activities (or lack thereof) of the Purchaser following the Closing Date, including any and all reclamation and end of mine obligations that are expressly included in the Assumed Liabilities.

11.4 Limitations on Indemnification. Notwithstanding anything to the contrary contained in this Agreement any indemnification claims shall be limited as follows (other than any indemnification claims or other Actions based upon (i) fraud or wilful misconduct, (ii) a breach of Section 8.26 (Taxes), or (iii) a breach of any Fundamental Reps, which, in each instance, shall not be subject to the limitations set forth in this Section 11.4):

11.4.1 The maximum aggregate amount of indemnifiable Losses arising out of or resulting from the causes enumerated in Section 11.2.1 that may be recovered from Sellers and/or Parent shall not exceed $17,500,000;

11.4.2 The maximum aggregate amount of indemnifiable Losses arising out of or resulting from the causes enumerated in Section 11.3.1 that may be recovered from Purchaser shall not exceed $17,500,000; and

11.4.3 No indemnification by Sellers and Parent with respect to any Loss otherwise payable under Section 11.2.1 and no indemnification by the Purchaser with respect to any Loss otherwise payable under Section 11.3.1, shall in either case be payable until such time as all such indemnifiable Losses shall aggregate to more than $875,000 (the "Basket"), after which time Sellers and Parent, or Purchaser (as the case may be) shall be liable in full for all indemnifiable Losses above $175,000.

Further, notwithstanding anything to the contrary herein, other than any claim based upon fraud or wilful misconduct, all Parties indemnification obligations herein shall not exceed under any circumstances an amount equal to fifty percent (50%) of the Purchase Price.

11.5 Indemnification Procedures.

11.5.1 The obligations and Liabilities of the Parties under this ARTICLE 11 with respect to Losses arising from claims of any third party which are subject to the indemnification provided for in this ARTICLE 11 ("Third Party Claims") shall be governed by the terms and conditions set forth in this Section 11.5. If any Purchaser Indemnified Party or Seller Indemnified Party (each, an "Indemnified Party"), as the case may be, shall receive written notice of any Third Party Claim, the Indemnified Party shall give Sellers and Parent or the Purchaser (each, the "Indemnifying Party"), as the case may be, notice of such Third Party Claim within 20 days after the receipt by the Indemnified Party of such notice; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its respective obligations under this ARTICLE 11 except to the extent that the Indemnifying Party is materially prejudiced by such failure. The notice of claim shall describe in reasonable detail the facts known to the Indemnified Party giving rise to such indemnification claim, and the amount or good faith estimate of the amount arising therefrom.

11.5.2 The Indemnifying Party shall be entitled to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice if it gives written notice of its intention to do so to the Indemnified Party within twenty-five (25) days of the receipt of such notice from the Indemnified Party and the Third Party Claim involves money damages and not an injunction or other equitable relief that could have an adverse effect on the Assets and the Indemnifying Party acknowledges in writing its Liability to the Indemnified Party under this ARTICLE 11 and agrees to indemnify the Indemnified Party in accordance with the terms of this ARTICLE 11; provided, however, in the event that Indemnified Party reasonably determines (i) there exists or is reasonably likely to exist a conflict of interest that would make it inappropriate in the judgment of the Indemnified Party in its reasonable discretion for the same counsel to represent both the Indemnified Party and the Indemnifying Party, (ii) the Third Party Claim seeks an injunction or equitable relief against any Indemnified Party or relates to or arises in connection with any criminal proceeding, or (iii) the Indemnified Party has reasonably determined that the Losses from the Third Party Claim are likely to exceed the limits of the remaining indemnification obligation of the Indemnifying Party under this Agreement, then, in each such instance, the Indemnified Party shall be entitled to assume control of the defense of the Third Party Claim at the expense of the Indemnifying Party. In the event that the Indemnifying Party exercises the right to undertake any such defense against any such Third Party Claim as provided above, the Indemnifying Party shall conduct the defense of the Third Party Claim actively and diligently and the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. Similarly, in the event the Indemnified Party is, directly or indirectly, conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all such witnesses, records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party. No such Third Party Claim may be settled by any Party conducting the defense against such claim without the prior written consent of the other Party, which consent shall not be unreasonably delayed or withheld; provided, however, Parent shall have the right to settle any claim (other than claims for Taxes) for which it is the Indemnifying Party without the prior written consent of any other Party if such settlement provides for a complete and unconditional release of the Indemnified Party, does not include any admission of culpability and involves only the payment of money damages.

11.6 Calculation of Losses. The Parties shall make appropriate adjustments for Tax benefits and insurance coverage actually realized or received in determining Losses for purposes of this ARTICLE 11. All indemnification payments under this ARTICLE 11 shall be deemed adjustments to the Purchase Price.

11.7 Exclusive Remedy. Except as provided in Section 2.4 and Section 2.5 and any Actions for injunctive relief or specific performance as set forth in this Agreement, Actions for a breach of Sections 13.5 or Section 14.5 or any Actions based upon fraud or wilful misconduct, any Action (whether such claim sounds in tort, contract or otherwise and including statutory rights and remedies) based upon, relating to or arising out of this Agreement or the Transactions contemplated by this Agreement or otherwise in respect of the status, operations or ownership of the Assets and the Business on or prior to the Closing Date must be brought by the Parties in accordance with the provisions and applicable limitations of this ARTICLE 11, which shall constitute the sole and exclusive remedy of all Parties, their affiliates, successors and assigns for any such Actions.

11.8 Materiality Scrape. For purposes of this ARTICLE 11 the determination of an inaccuracy in or breach of any representation or warranty made by a Party in this Agreement shall be determined without regard to any materiality, Material Adverse Change or other similar qualification contained in or otherwise applicable to such representation and warranty.

11.9 No Duplication of Recovery. In no event shall any Purchaser Indemnified Party have any right to indemnification from Sellers or Parent for Losses relating to any matter to the extent such matter was reserved for and taken into account in finally determining the Final Closing Date Working Capital.

11.10 Escrow Fund. The Escrow Funds, to the extent available, will serve as the initial source of payment from Seller or Parent for indemnification claims by the Purchaser Indemnified Parties.

ARTICLE 12 TERMINATION

12.1 This Agreement may be terminated or abandoned at any time prior to the Closing Date under any of the following conditions:

12.1.1 By the mutual written consent of the Parties.

12.1.2 By any Party if any Governmental Authority shall have issued an order, decree or ruling or taken any other action (which order, decree, ruling or other action the Parties hereto shall use their reasonable efforts to lift), which permanently restrains, enjoins or otherwise prohibits the acquisition by Purchaser of the Business and/or Assets and such order, decree, ruling or other action shall have become final and non-appealable.

12.1.3 By any Party if the Transactions contemplated hereby have not been consummated by January 31, 2015, provided that, no Party shall be entitled to terminate this Agreement pursuant to this Section 12.1.3 if the breach of this Agreement by such party (or in the case of termination by Sellers or Parent, a breach by any Seller or Parent) has prevented the consummation of the Transactions.

12.1.4 By Sellers or Parent if any Seller or Parent is not in material breach of its obligations under this Agreement, and if Purchaser shall have breached in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach cannot be or has not been cured within thirty (30) days after the giving of written notice by Sellers or Parent to Purchaser specifying such breach.

12.1.5 By Purchaser if Purchaser is not in material breach of any of its obligations under this Agreement, and if any Seller or Parent shall have breached in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement which breach cannot be or has not been cured within thirty (30) days after the giving of written notice by Purchaser to Sellers specifying such breach.

12.2 Effect of Termination.

12.2.1 In the event that this Agreement is terminated pursuant to Section 12.1, all further obligations of the Parties under this Agreement shall terminate without further Liability of either Party to the other; provided, that the obligations of the Parties under this Section 12.2 and ARTICLE 14 shall survive any such termination.

12.2.2 The termination of this Agreement shall not limit or otherwise prejudice any rights or claims that any Party may have, and any Party may pursue all legal remedies to which such Party may be entitled at law or in equity (including specific performance) under this Agreement or otherwise in addition to the remedies set forth above.

ARTICLE 13 OTHER AGREEMENTS

13.1 Insurance and Disability Claims.

13.1.1 Sellers and their Affiliates and their respective Employee Benefit Plans shall be responsible for medical, dental and vision care services, including the payment of claims incurred on or prior to the Closing Date but not yet reported, rendered to Continuing Employees and eligible dependents on or before the Closing Date, and for life insurance Liabilities incurred with respect to Continuing Employees and eligible dependents on or before the Closing Date. Sellers and Parent shall cause their respective Employee Benefit Plans to provide COBRA continuation, medical, dental and vision coverage on and after the Closing Date to employees of any Seller and their eligible dependents who timely elect COBRA continuation coverage. All disability and accident indemnity events with respect to any employee of any Seller which occurred on or prior to the Closing Date will be the sole responsibility of Sellers, their Affiliates and their respective Employee Benefit Plans.

13.2 Workers' Compensation.

13.2.1 Notwithstanding any other provision in this Agreement, but subject to Section 13.2.2 below, (i) all Liabilities and obligations of any Seller pursuant to workers' compensation Laws and regulations of West Virginia or any other applicable state and arising out of any occupational injury or exposure occurring on or before the Closing Date, shall be and remain the Liabilities and obligations of Sellers, and (ii) any such Liabilities and obligations of Purchaser arising out of any occupational injury or exposure occurring after the Closing Date shall be the Liabilities and obligations of Purchaser.

13.2.2 With respect to workers' compensation claims, from and after the Closing Date, (i) Sellers shall remain solely responsible for all workers' compensation claims of any Continuing Employee to the extent that they relate to an accident that occurred or injury that was identifiably sustained on or prior to the Closing Date, regardless of whether such claims are filed by such Continuing Employee before or after the Closing Date and (ii) Purchaser shall assume and become solely responsible for all other workers' compensation claims of any Continuing Employees (including (a) injuries identifiably sustained by Continuing Employee after the Closing Date that are aggravations or re-injuries of injuries or illnesses that were sustained on or before the Closing Date and (b) treatment after the Closing Date required by Continuing Employee following complete recovery from injuries sustained on or before the Closing Date).

13.2.3 In the event a claim is made against Purchaser with respect to which Purchaser believes is Sellers' responsibility pursuant to the provisions of this Section 13.2, Purchaser shall promptly give written notice thereof to Sellers as soon as the claim is filed but in no event later than twenty (20) days after the claim is filed, so that Sellers will have the opportunity to process and, if appropriate, defend the claim.

13.3 Employees.

13.3.1 No later than two (2) Business Days after signing this Agreement, Sellers shall provide any notice required under the WARN Act to all employees of each Seller.

13.3.2 On or as soon as practicable after the Closing Date (but in no case to exceed five (5) Business Days), subject to Purchaser's standard hiring procedures, Purchaser shall make offers of on-going employment to no less than 80% of the Active Employees of Sellers as of the Closing Date. Any employee offered employment by Purchaser will be required to meet Purchaser's employment requirements.

13.3.3 Sellers shall terminate all of their employees employed in connection with the Business effective as of the Closing Date. Sellers shall be solely responsible for severance pay and other Liabilities arising out of such employment with any Seller and termination of such employment and for all accrued compensation, vacation pay, sick pay and other benefits with respect to such employees whether or not such employees become employees of Purchaser on or after the Closing Date.

13.3.4 Nothing in this Agreement shall be deemed to affect or limit in any way the normal management prerogatives of Purchaser after the Closing Date with respect to the Continuing Employees or create or grant to any Active Employees any third party beneficiary rights or claims of any kind or nature.

13.4 Black Lung Benefits.

13.4.1 Sellers agree to reimburse Purchaser for all Liability imposed on Purchaser for claims of disability due to pneumoconiosis pursuant to the Black Lung Benefits Act, as amended (30 USC § 901, et seq.), the workers' compensation Laws of West Virginia and applicable regulations thereunder or any other Law or regulation with respect to the above, with respect to any Continuing Employee that is not employed by Purchaser for the duration of the statutory period set forth under the Black Lung Benefits Act required for Purchaser to become a responsible operator with respect to such Continuing Employee. In the event a claim is made against Purchaser with respect to which Purchaser believes the provisions of this Section 13.4.1 apply, Purchaser shall promptly give written notice thereof to Sellers.

13.5 Non-Solicitation.

13.5.1 Continuing Employees. In order to protect the legitimate business interests of Purchaser, each Seller and Parent hereby covenants and agrees that, from the Closing Date through the second anniversary of the Closing Date, each Seller and Parent shall not, and each shall cause its respective Affiliates to not, directly or indirectly, request or induce any Continuing Employee to terminate his or her employment with Purchaser or any Affiliates of any Purchaser or hire or employ, without the express written consent of Purchaser, any Continuing Employee.

13.5.2 Remedies. Each Seller and Parent acknowledges and agrees that a breach of the covenants, promises, agreements and obligations set forth in this Section 13.5 would result in material and irreparable injury to Purchaser and its Affiliates for which there is no adequate remedy at law and that it would not be possible to measure damages for such injury precisely. In the event of such a breach or threat thereof, Purchaser shall have the right to seek, in addition to money damages, a temporary restraining order, preliminary injunction or permanent injunction restraining Sellers, Parent and their respective Affiliates from engaging in the activities prohibited by this Section 13.5, or any other relief as may be appropriate in law or equity or required for specific enforcement of the covenants set forth in this Section 13.5. Accordingly, for any breach by any Seller or Parent of the terms, covenants and conditions of this Section 13.5, each Seller and Parent hereby consents to a restraining order and/or an injunction without the posting of bond, in addition to any other legal or equitable rights or remedies Purchaser may have. If any Seller or Parent violates any covenant in this Section 13.5, such covenant shall be automatically extended for a period of time equal to the period of such violation.

13.5.3 Survival. Each Seller acknowledges that these covenants constitute independent covenants that shall survive the Closing and shall not be affected by performance or nonperformance of any other provision of this or any other agreement.

ARTICLE 14 GENERAL PROVISIONS

14.1 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given (i) three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below, (ii) on the date sent if delivered by e-mail if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, or (iii) one (1) business day after it is sent for next day delivery by a nationally recognized overnight courier and addressed to the intended recipient as set forth below:

If to Parent or Seller to:

c/o Cliffs Natural Resources Inc.
200 Public Square, Suite 3300
Cleveland, OH 44114
Attn: James D. Graham, Chief Legal Officer
Phone: (216) 694-5504; Fax: (216) 694-5389
Email: james.graham@cliffsnr.com

Copy to:

Hahn, Loeser & Parks, LLP
200 Public Square, Suite 2800
Cleveland, OH 44114
Attn: Robert Ross
Phone: (216) 274-2430; Fax: (216) 274-2559
Email: rross@hahnlaw.com

If to Purchaser to:

Coronado Coal II, LLC
57 Danbury Road, Suite 201
Wilton, Connecticut 06897
Attention: Gerry Spindler
Facsimile No.: (203) 761-4953
Email: gspindler@coronadocoal.com

Copy to:

Dinsmore & Shohl LLP
215 Don Knotts Blvd., Suite 310
Morgantown, WV 26501
Attn: F. Thomas Rubenstein
Phone: (304) 296-1100; Fax: (304) 296-6116
Email: thomas.rubenstein@dinsmore.com

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

14.2 Entire Agreement. This Agreement (including the Escrow Agreement and the other documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they are related in any way to the subject matter hereof.

14.3 Amendments and Waivers**.** No amendment or waiver of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties and making specific reference to this Agreement. No waiver by any Party of any inaccuracy in or breach of any representation or warranty hereunder, or of any breach of any covenant hereunder shall be deemed to extend to any prior or subsequent inaccuracy in or breach of any representation or warranty hereunder, or of any breach of any covenant hereunder, or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

14.4 Expenses. Except as otherwise specifically provided herein, each Party to this Agreement shall pay its own expenses (including, without limitation, the fees and expenses of their respective agents, representatives, counsel and accountants) incidental to the preparation and carrying out of this Agreement and the consummation of the Transactions .

14.5 Confidentiality.

14.5.1 Any non-public information furnished by or on behalf of Sellers or Parent or their respective Affiliates to Purchaser, its attorneys, accountants, or other representatives in connection with the Transactions shall be treated as confidential information including any information related to any business operations other than the Business of any of the Affiliates of Seller or Parent shall, at all times, be treated as confidential information (such information, the "Cliffs Confidential Information") and Purchaser shall not disclose the Cliffs Confidential Information for a period of five (5) years; provided, however, that the Cliffs Confidential Information shall not include: (i) information now generally known or readily available to the public or which becomes so known or readily available without the fault of Purchaser or any of its representatives or (ii) information that is independently developed by Purchaser or its Affiliates without reference to or use of the Cliffs Confidential Information. Purchaser further agree to use its commercially reasonable efforts to safeguard such Cliffs Confidential Information and to protect it against disclosure in accordance herewith. In the event Purchaser and/or any of its Affiliates is required by applicable Law to disclose any Cliffs Confidential Information, Purchaser shall promptly notify Seller in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and Purchaser shall cooperate with Seller to preserve the confidentiality of such information consistent with applicable Law at Seller's cost or expense. In the event that the Transactions are not consummated for whatever reason, Purchaser agrees to return to Sellers all written information furnished by Sellers to Purchaser or its attorneys, accountants, or other representatives with respect to the Transactions. Nothing in this Agreement shall alter or modify any of the terms or conditions of any existing confidentiality agreement between the Parties.

14.5.2 Sellers and Parent agree for a period of five (5) years following the Closing (or, with respect to trade secrets, such longer period of time as the trade secret continues) not to disclose or use at any time (and shall cause each of its representatives not to use or disclose at any time) any confidential or proprietary information concerning the Business except to each Seller's representatives in connection with any post-Closing matters hereunder or related to the acquisition by Purchaser of the Assets or any other matters as to which any Seller has retained obligations or Liabilities hereunder, to any taxing authority in connection with Tax matters or otherwise as required by applicable Law (the "Business Confidential Information"); *provided*, however, that Business Confidential Information shall not include: (i) information now generally known or readily available to the public or which becomes so known or readily available without the fault of any Seller or any of its respective representatives or (ii) information that is independently developed by any Seller or its Affiliates without reference to or use of the Business Confidential Information. Each Seller and Parent further agree to use its commercially reasonable efforts to safeguard such Business Confidential Information and to protect it against disclosure in accordance herewith. In the event any Seller, Parent and/or any of their respective Affiliates is required by applicable Law to disclose any Business Confidential Information, Sellers and Parent shall promptly notify Purchaser in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and Sellers and Parent shall cooperate with Purchaser to preserve the confidentiality of such information consistent with applicable Law at Purchaser's cost or expense.

14.6 No Third Party Beneficiaries. This Agreement shall not confer any rights, claim, cause of action, remedy or right of any kind upon any Person other than the Parties and their respective successors and permitted assigns; provided, however, that the provisions in ARTICLE 11 above concerning indemnification are intended for the benefit of the Persons entitled to indemnity thereunder.

14.7 Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with the Laws of the State of West Virginia without giving effect to any choice or conflict of law provision or rule (whether the State of West Virginia or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of West Virginia. The Parties irrevocably agree with any proceeding arising out of or in connection with this Agreement that may be brought in any state or federal court located in the Southern District of West Virginia and each Party agrees not to assert, by way of motion, defence, or otherwise, in any such proceeding, any claim that it is not subject personally to the jurisdiction of such court that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court, and hereby agrees not to challenge such jurisdiction or venue by reason of any offsets or counterclaims in any such proceeding.

14.8 Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.9 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective permitted successors and assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, that Purchaser may assign as collateral any and/or all of its rights under this Agreement by way of security to any banks, holders of debt securities or financial institutions lending money, providing credit or otherwise providing financing to Purchaser or any of its affiliates, including without limitation, in connection with any and all subsequent refinancings; provided further, that no such transfer or assignment shall relieve Purchaser of its obligations hereunder or alter or change any obligation of any other Party hereto.

14.10 Public Disclosures. At all times at or before the Closing, the Parties will not issue or make any reports, statements or releases to the public with respect to this Agreement or the Transactions without the consent of the other, which consent will not be unreasonably withheld, except to the extent that such disclosure is determined in good faith by the disclosing Party to be required by Law or required in order to complete the Transactions; provided that any such required disclosure will only be made, to the extent consistent with Law or to the extent necessary to complete the Transactions, after consultation with the other Parties.

14.11 Risk of Loss. The risk of Loss or damage or destruction to any of the Assets to be transferred to Purchaser hereunder from fire or other casualty or cause, shall be borne by Sellers at all times prior to the Closing.

14.12 Waiver of Jury Trial. EACH PARTY, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY, WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY CONTEMPLATED TRANSACTION, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE.

14.13 Remedies Cumulative. The rights and remedies of the Parties are cumulative and not alternative.

14.14 Cooperation. The Parties hereto agree to cooperate with each other in the preparation and prompt and timely filing and/or expeditious prosecution of all necessary applications, briefs, pleadings, documents and supporting data and the taking of all such action and the giving of all such notices as may be required or requested or as may be appropriate in an effort to expedite any governmental or regulatory approval of the transfer of the Assets to Purchaser. Unless otherwise provided herein to the contrary, the Parties shall each bear their own legal fees and other costs and expenses with respect to the filing and prosecution of all such actions.

14.15 Counterparts; Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes at Law and in equity, and all of which together shall constitute one and the same document. The execution by any and every Party hereto of a facsimile copy (or counterpart) of this Agreement or a copy (or counterpart) transmitted by facsimile, e-mail or other means of electronic transmission shall likewise be permitted and authorized, and this Agreement shall be deemed fully executed for all purposes at law or in equity upon the execution hereof of a copy (or counterpart) of this Agreement (whether facsimile, e-mail or otherwise) by every Party hereto.

14.16 Specific Performance. The Parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in the state and federal courts in the Southern District of West Virginia, in addition to any other remedy to which they are entitled at law or in equity.

14.17 Severability. If any provision of this Agreement is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, such provision shall be deemed amended to conform to applicable Laws so as to be valid and enforceable or, if it cannot be amended without materially altering the intention of the Parties, it shall be stricken and the remainder of this Agreement shall remain in full force and effect.

14.18 Effective Time. For all purposes of this Agreement and the Transactions, the effective time of the Closing and the consummation of the Transactions shall be 11:59 p.m. Eastern time on the Closing Date.

14.19 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

14.20 Administration of Accounts. All payments and reimbursements by any third party after the Closing Date in the name of or to any Seller or any Affiliate of any Seller to which Purchaser is entitled in accordance with the provisions of this Agreement and the Transactions contemplated hereby shall be held by Sellers and Parent for the benefit of Purchaser and, within five (5) business days of receipt by any Seller or any Affiliate of any Seller of any such payment or reimbursement, Sellers and Parent shall pay over to Purchaser the amount of such payment or reimbursement without right of set off. All payments and reimbursements by any third party after the Closing Date in the name of or to Purchaser to which any Seller is entitled in accordance with the provisions of this Agreement and the Transactions contemplated hereby shall be held by Purchaser for the benefit of such Seller and, within five (5) business days of receipt by Purchaser of any such payment or reimbursement, Purchaser shall pay over to such Seller the amount of such payment or reimbursement without right of set off.

14.21 Exclusivity. Until such time, if any, as this Agreement is terminated pursuant to ARTICLE 12, Sellers and Parent shall not, and shall cause each of their respective Affiliates to not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of the Assets, or any of the equity securities of Cliffs West Virginia Coal, Inc., a Delaware corporation ("CWVC") or any Seller, or any merger, consolidation, business combination, or similar transaction involving CWVC or any Seller.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned have executed or caused this Agreement to be executed by their respective officers thereunto duly authorized, each with the intent to be legally bound, as of the date first written above.

SELLERS:

TONEY'S FORK LAND, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

CLIFFS LOGAN COUNTY COAL, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

CLIFFS LOGAN COUNTY COAL TERMINALS, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

SOUTHERN EAGLE LAND, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

PARENT:
CLIFFS NATURAL RESOURCES INC.

By: /s/ P. Kelly Tompkins
Name: P. Kelly Tompkins
Title: EVP – Business Development

PURCHASER:
CORONADO COAL II LLC

By: /s/ Garold. R. Spindler
Name: Garold R. Spindler
Title: Authorized Representative

EXHIBIT LIST

Exhibit A - Limited Guarantee

Exhibit B - Miscellaneous Contracts

Exhibit C - Permit Operating Agreement

Exhibit D - Bill of Sale and Assignment and Assumption Agreement

EXHIBIT 2.2

AMENDMENT TO ASSET PURCHASE AGREEMENT

This Amendment (the "Amendment") to the Asset Purchase Agreement is made effective as of December 31, 2014, by and among **CLIFFS NATURAL RESOURCES INC**., an Ohio corporation ("Parent"), **CLIFFS LOGAN COUNTY COAL, LLC**, a Delaware limited liability company (" CLCC"), **TONEY'S FORK LAND, LLC**, a Delaware limited liability company (" TFL"), **SOUTHERN EAGLE LAND, LLC**, a Delaware limited liability company (" SEL"), **CLIFFS LOGAN COUNTY COAL TERMINALS, LLC**, a Delaware limited liability company (" CLCCT" and together with CLCC, TFL and SEL collectively the " Sellers" and individually a "Seller"), and **CORONADO COAL II,** LLC, a Delaware limited liability company (" Purchaser"). Parent, Sellers and Purchaser are sometimes collectively referred to herein as the "Parties."

A. The Parties entered into an Asset Purchase Agreement, dated as of December 2, 2014 (the "Purchase Agreement"), pursuant to which Purchaser shall buy from Sellers, and Sellers shall sell, assign, transfer, convey and deliver to Purchaser (or its designee), free and clear of any Encumbrances other than Permitted Encumbrances, all of each Seller's right, title and interest in, to and under the Assets in accordance with the terms of the Purchase Agreement, for the Purchase Price, subject to the adjustments as set forth in the Purchase Agreement. Capitalized terms used but not defined herein will have the meaning given them in the Purchase Agreement.

B. Subsequent to the date of the Purchase Agreement, Parent and Sellers provided notice to Purchaser, as further identified in Schedule 8.6.6 of the Amended and Restated Disclosure Schedules to the Purchase Agreement, that, on December 12, 2014, Parent and Sellers became aware that the main Hitachi shovel (the "Shovel") used at the Toney Fork Surface Mine to strip overburden suffered damage to certain of the Shovel's interior structural components.

C. As a result of the damage to the Shovel, the Parties have agreed to amend the terms of Section 2.4.1 of the Purchase Agreement to reduce, by $1,000,000, the Base Purchase Price so as to compensate, in full, Purchaser for any lost net revenue resulting from the Shovel being inoperative as of the Closing ($650,000) and to compensate Purchaser for a portion of the costs of repair of the Shovel ($350,000) as well as to add a new Section 13.6 to reflect the Parties agreement as to Parent's and Sellers' obligations regarding the payment for repairs to the Shovel and acquisition of the replacement loader after the Closing.

NOW THEREFORE, in accordance with the terms of Section 14.3 of the Purchase Agreement and in consideration of the foregoing and the mutual promises contained herein and intending to be legally bound hereby, the Parties agree as follows:

1. The first sentence of Section 2.4.1 of the Purchase Agreement hereby is amended to revise the definition of " Base Purchase Price" from "One Hundred Seventy Five Million Dollars ($175,000,000.00)" to "One Hundred Seventy Four Million Dollars ($174,000,000.00)".

2. A new Section 13.6 will be added to **Article 13 [Other Agreements]** to read in its entirely as follows:

"13.6 Repair of Shovel; Rental of Loader.

13.6.1 As disclosed in Schedule 8.6.6, Parent and Sellers have made Purchaser aware that the main Hitachi shovel (the " Shovel") used at the Toney Fork Surface Mine to strip overburden suffered damage to certain of the Shovel's interior structural components. The Parties are in the process of engaging outside contractors to repair the Shovel to its functional operating condition prior to suffering such damage.

13.6.2 Parent and Sellers agree to pay directly all the costs and expense necessary (including, without limitation, any such costs and expense attributable to Purchaser's employees, vendors or subcontractors associated directly with such repairs, which Purchaser shall invoice Parent and Sellers monthly with adequate detail) for the repair of the Shovel; provided, however, that such payment shall be limited to the extent and the amount necessary to put the interior structural components of the car body of the Shovel in the same or substantially similar structural and operating working condition as it was immediately prior to the occurrence of the damage which caused the failure (the "Shovel Repair Costs"); provided, further, that the Parties acknowledge and agree that the initial $350,000 of Shovel Repair Costs are being prepaid by Parent and Sellers (as part of the reduction of the Base Purchase Price as provided in the Amendment to the Purchase Agreement). To the extent that Purchaser reasonably believes that the Shovel Repair Costs will exceed $350,000, Purchaser will use commercially reasonable efforts to provide Parent and Sellers advance notice of such additional repair work. To the extent that Purchaser elects to make repairs unrelated to the foregoing or to make other enhancements to the Shovel, the costs and expenses of any such repairs or enhancements shall be the sole responsibility of Purchaser.

13.6.3 Parent and Sellers agree to pay or reimburse Purchaser up to (and in no event in excess of) $107,000 for the rental of the replacement 992 K loader ("Loader Replacement Costs"). Purchaser shall invoice Parent for all actual rental expenses which Purchaser incurs in connection with the Loader Replacement Costs on a monthly basis. Each such invoice shall be accompanied by a statement reasonably itemized, including the names of and containing copies of invoices from any third party with respect to any invoiced Loader Replacement Costs. Any Loader Replacement Costs in excess of such $107,000 amount shall be the sole responsibility of Purchaser.

13.6.4 The Parties agree that the adjustment to the Base Purchase Price provided for in the Amendment and the payments made by Parent and Sellers for the Shovel Repair Costs and Loader Replacement Costs in Sections 13.6.2 and 13.6.3 constitute the sole and exclusive remedy of Purchaser and its affiliates, successors and assigns for any matters relating to the Shovel, the Shovel Repair Costs or the Loader Replacement Costs and, as such, Purchaser hereby waives any and all claims relating to the condition of the Shovel as of the Closing Date."

3. A new Section 13.7 will be added to **Article 13 [Other Agreements]** to read in its entirely as follows:

"13.7 Parent Board Ratification.

13.7.1 Within thirty (30) business days after the Closing, Parent agrees to deliver to Purchaser a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Parent certifying that attached thereto is a true and complete copy of the resolutions adopted by the board of directors of Parent ratifying the board's authorization of the Transactions."

4. A new Section 13.8 will be added to **Article 13 [Other Agreements]** to read in its entirely as follows:

"13.8.1 Kinder Morgan Arrangement.

13.8.1 Reference is made to that certain Terminal Services Agreement, dated as of November 30, 2012, as amended by the First Amendment, dated March 31, 2014 (the "KM Contract"), among Cliffs North American Coal LLC, Cliffs Logan County Coal LLC and Kinder Morgan Operating L.P. "C" ("Kinder Morgan"). The Parties acknowledge and agree that, as of the Closing Date, in accordance with Section 2.9.1 above, the KM Contract will be deemed an Unassigned Asset since, as of the Closing Date, the Parties, despite their collective best efforts, have been unable to obtain the formal written consent of Kinder Morgan to the assignment of the KM Contract to Purchaser.

13.8.2 In accordance with the terms of Section 2.9.2, the Parties now desire to undertake an arrangement pursuant to which the benefits of the KM Contract will be provided to Purchaser. To that extent, from and after the Closing, the Parties will continue to use their best efforts to obtain the consent of Kinder Morgan to the assignment of the KM Contract to Purchaser. Notwithstanding anything to the contrary herein or the Transition Services Agreement, Sellers and Parent shall provide at no cost to Purchaser all such commercial services necessary to facilitate the management of the throughput tonnage that is contemplated pursuant to this Section 13.8 and the KM Contract until such time as the KM Contract is assigned to Purchaser or terminated.

13.8.3 In the interim, unless and until such consent is secured on a basis reasonably acceptable to all of the Parties, pursuant to Section 5A(ii) of the KM Contract, subsequent to the Closing, CLCC will grant to Purchaser status as, and Purchaser will be deemed to be, a third party allowed to utilize CLCC's "terminal capacity and storage on the Storage Pad" (the "Coal Delivery Right") such that volumes delivered by Purchaser or its designee and subsequently loaded onto a Vessel (as defined in the KM Contract) shall be deemed to be a delivery by CLCC and will count toward the Guaranteed Annual Tonnage (as defined in the KM Contract). To that extent, the Parties agree to work under such arrangement in accordance with the terms of Sections 2.9.2 and 2.9.3 of the Agreement.

13.8.4 Purchaser shall have the right to subcontract or assign (in whole or in part) its Coal Delivery Right. To the extent that Purchaser subcontracts or assigns its Coal Delivery Right any such volumes that are delivered by such subcontractor or assignee to the terminal and are subsequently loaded onto a Vessel shall be deemed to be a delivery by CLCC and will count toward the Guaranteed Annual Tonnage. In the event that Purchaser notifies CLCC that Purchaser intends to subcontract or assign, in whole or in part, its Coal Delivery Right, CLCC shall either (a) use best efforts to obtain the necessary consent from Kinder Morgan so that such subcontractor or assignee may deliver its coal to the terminal and such tonnage be counted toward the Guaranteed Annual Tonnage once it is subsequently loaded onto a Vessel; or (b) at the request of Purchaser or if CLCC fails to obtain Kinder Morgan's consent as set forth in clause (a), grant to such subcontractor or assignee the status as, and such subcontractor or assignee will be deemed to be, a third party allowed to utilize CLCC's "terminal capacity and storage on the Storage Pad" such that volumes delivered by such subcontractor or assignee and subsequently loaded onto a Vessel shall be deemed to be a delivery by CLCC and will count toward the Guaranteed Annual Tonnage. Notwithstanding anything to the contrary herein, any payments that a subcontractor or assignee of Purchaser's Coal Delivery Right makes that is related to its use of Purchaser's Coal Delivery Right shall be paid to, and be the property of, Purchaser and CLCC shall have no right to any such payments. In the event that Purchaser obtains a subcontractor or assignee to its Coal Delivery Right that is willing to deliver coal to the terminal and Kinder Morgan refuses to allow such assignor or subcontractor to deliver its coal to the terminal, then any such amounts that such subcontractor or assignee was ready to deliver to the terminal will be credited against Purchaser's obligation with respect to the Guaranteed Annual Tonnage and CLCC shall have the responsibility to pay Kinder Morgan for the portion of the Shortfall Payment (as that term is defined in the KM Contract) that would equal the tonnage that such subcontractor or assignee was ready to deliver or had delivered to the terminal.

13.8.5 Subject to and to the extent of the provisions of Section 13.8 above, Purchaser acknowledges and agrees that to the extent that the Guaranteed Annual Tonnage is not met in any Contract Year (any Shortfall Payment is due) as a result of Purchaser's inability to delivery sufficient tonnage to be loaded onto a Vessel, Purchaser shall be responsible for payment of such Shortfall."

5. All other terms and conditions of the Purchase Agreement shall remain in full force and effect.

[*Signature Pages Immediately Follows*]

IN WITNESS WHEREOF, each of the Parties has caused this Amendment to be executed as of the date first written above.

SELLERS:

TONEY'S FORK LAND, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

CLIFFS LOGAN COUNTY COAL, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

CLIFFS LOGAN COUNTY COAL TERMINALS, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

SOUTHERN EAGLE LAND, LLC

By: /s/ David L. Webb
Name: David L. Webb
Title: President

PARENT:
CLIFFS NATURAL RESOURCES INC.

By: /s/ P. Kelly Tompkins
Name: P. Kelly Tompkins
Title: Executive VP Business Development

PURCHASER:
CORONADO COAL II LLC

By: /s/ Garold. R. Spindler
Name: Garold R. Spindler
Title: Authorized Representative

[Signature Page to the Amendment to Asset Purchase Agreement]

EXHIBIT 10.15

THIRD AMENDMENT TO TRUST AGREEMENT NO. 1

This Third Amendment to Trust Agreement No. 1 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 1.

WITNESSETH

WHEREAS, on June 12, 1997 the Company and the Trustee amended and restated Trust Agreement No. 1, effective June 1, 1997;

WHEREAS, Section 12 of Trust Agreement No. 1 provides that such Trust Agreement may be amended by the Company and the Trustee; and

WHEREAS, Section 9(c) of Trust Agreement No. 1 provides that Exhibit A thereto may be amended by the Company by furnishing to the Trustee an amendment thereto.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 1 to provide as follows:

1. The first WHEREAS clause is amended to read as follows:

   WHEREAS, Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc. entered into an agreement, as shown on Exhibit A, with each of the executives (the "Executives") listed (from time to time as provided in Section 9(c) hereof) on Exhibit A hereto (the agreements are referred to herein singularly as an "Agreement" and collectively as the "Agreements");

2. Exhibit A is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Third Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham

Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja

Title: Vice President

EXHIBIT A

Effective July 28, 2014

TRUST AGREEMENT NO. 1

The following Executives have entered into Change in Control Severance Agreements:

Name	**Job Title**	**Beneficiary**
Halverson, Gary B	President & Chief Executive Officer	Halverson, Frances
Boor, William C	Executive Vice President, Corp Development & Chief Strategy Officer, Chief Risk Officer	Boor, Angela A.
Fedor, Terry G	Executive Vice President, United States Iron Ore	Fedor, Sheryl Elaine
Harapiak, Maurice D	Executive Vice President, Human Resources	
Paradie, Terrance M	Executive Vice President & Chief Financial Officer	Paradie, Christine E.
Smith, Clifford T	Executive Vice President, Seaborne Iron Ore	Smith, Marianne B.
Tompkins, P Kelly	Executive Vice President, External Affairs & President, Global Commercial	Tompkins, Cathy Elaine
Webb, David	Executive Vice President, Global Coal	Webb, Brenda J.
Mee, Terrence R	Vice President, Global Iron Ore Sales	Mee, Elizabeth
Baisden, Steven R	Vice President, Corporate Development & Emerging Business	Baisden, Meredith A.
Bittner, Matthew C	Vice President & Treasurer	Bittner, Katharine Williams
Cartella, David T	Vice President, Government, Environmental, Safety & Sustainability	Cartella, Kimberly Ann
Flanagan, Timothy K	Vice President, Corporate Controller & CAO	Flanagan, Kathleen R.
Graham, James D	Vice President & Chief Legal Officer	
McFadden, William J	Vice President, Global Coal Sales	McFadden, William
Whiteford, Sean M	Vice President, Technical Operations	Whiteford, Lauren Kathleen
LaTendresse, Edward	General Manager	LaTendresse, Gayle M.

EXHIBIT 10.18

THIRD AMENDMENT TO AMENDED AND RESTATED TRUST AGREEMENT NO. 2

This Third Amendment to Amended and Restated Trust Agreement No. 2 (as amended and restated October 15, 2002) (the "Agreement") is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Agreement.

WITNESSETH

WHEREAS, effective October 15, 2002 the Company and the Trustee amended and restated Trust Agreement No. 2; and

WHEREAS, Section 9(c) of the Agreement provides that Exhibit A and Exhibit D thereto may be amended by the Company by furnishing to the Trustee any amendments thereto.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 2 to provide as follows:

1. Exhibit A is amended in its entirety to read as attached hereto.

2. Exhibit D is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Third Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham
Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja
Title: Vice President

EXHIBIT A

AMENDED AND RESTATED TRUST AGREEMENT NO. 2

EXECUTIVES, OFFICERS AND KEY EMPLOYEES

Name	First Name	Middle Initial	Last Name	Job Title
Halverson, Gary B	Gary	B	Halverson	President & Chief Executive Officer
Boor, William C	William	C	Boor	Executive Vice President, Corporate Development & Chief Strategy Officer, Chief Risk Officer
Fedor, Terry G	Terry	G	Fedor	Executive Vice President, United States Iron Ore
Harapiak, Marurice D	Maurice	D	Harapiak	Executive Vice President, Human Resources
Paradie, Terrance M	Terrance	M	Paradie	Executive Vice President & Chief Financial Officer
Smith, Clifford T	Clifford	T	Smith	Executive Vice President, Seaborne Iron Ore
Tompkins, P Kelly	P	Kelly	Tompkins	Executive Vice President, External Affairs & President, Global Commercial
Webb, David	David		Webb	Executive Vice President, Global Coal
Baisden, Steven R	Steven	R	Baisden	Vice President, Corporate Development & Emerging Business
Bittner, Matthew C	Matthew	C	Bittner	Vice President & Treasurer
Cartella, David T	David	T	Cartella	Vice President, Government, Environmental, Safety & Sustainability
Flanagan, Timothy K	Timothy	K	Flanagan	Vice President, Corporate Controller & CAO
Graham, James D	James	D	Graham	Vice President & Chief Legal Counsel
McFadden, William J	William	J	McFadden	Vice President, Global Coal Sales
Mee, Terrence R.	Terrence	R	Mee	Vice President, Global Iron Ore Sales
Whiteford, Sean M	Sean	M	Whiteford	Vice President, Technical Operations
LaTendresse, Edward M	Edward	M	LaTendresse	General Manager

EXHIBIT D

AMENDED AND RESTATED TRUST AGREEMENT NO. 2

DIRECTORS

Gary B. Halverson
Susan M. Cunningham
Barry J. Eldridge
Mark E. Gaumond
Andrés R. Gluski
Susan M. Green
Janice K. Henry
James F. Kirsch
Stephen Johnson
Richard K. Riederer
Timothy W. Sullivan

John S. Brinzo
Ronald C. Cambre
Robert S. Colman
Ranko Cucuz
James D. Ireland III
G. Frank Joklik
E. Bradley Jones
Leslie Lazar Kanuk
Anthony A. Massaro
Francis R. McAllister
M. Thomas Moore
John C. Morley
Stephen B. Oresman
Roger Phillips
Alan Schwartz
Jeptha H. Wade
Alton W. Whitehouse

EXHIBIT 10.26

SEVENTH AMENDMENT TO TRUST AGREEMENT NO. 5

This Seventh Amendment to Trust Agreement No. 5 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 5.

WITNESSETH

WHEREAS, on October 28, 1997 the Company and a predecessor in interest to the Trustee entered into Trust Agreement No. 5; and

WHEREAS, Section 9(c) of Trust Agreement No. 5 provides that Exhibit A thereto may be amended by the Company by furnishing to the Trustee an amendment thereto.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 5 to provide as follows:

1. Exhibit A is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Seventh Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham
Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja
Title: Vice President

EXHIBIT A

Effective July 28, 2014

TRUST AGREEMENT NO. 5

PLAN 26042: 2012 NON-QUALIFIED DEFERRED COMPENSATION PLAN	Plan 29043: 2005 VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN	Plan 29043: 2000 VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN
	CASH	
ADERHOLD ,RONALD K	ADERHOLD, RONALD K	MARIANI , RONALD
CARTELLA ,DAVID T	BAISDEN, STEVEN R	MLINAR , MICHAEL P
BOOR ,WILLIAM C	BLAKE ,DAVID B	
BARTOLOMUCCI ,JAMES M	BOOR ,WILLIAM C	
HUNSINGER-GORENC ,STEPHANE S	BRAKE ,WILLIAM A	
MCLAUGHLIN ,MICHAEL P	BRLAS ,LAURIE	
TOMPKINS ,PAUL K	LATENDRESSE ,EDWARD M	
GILMAN ,JOYCE S	MEE ,TERRENCE R	
MCFADDEN ,WILLIAM J	MICHAUD ,JAMES R	
NELSON ,MARK D	MLINAR ,MICHAEL P	
CHEVERINE ,CAROLYN E	PARADIE ,TERRANCE M	
THORNTON ,WILLIAM M	SCHAEDIG ,TIMOTHY H	
BAISDEN ,STEVEN R	SIMMONS ,KENNETH D	
SIMMONS ,KENNETH D	SMITH ,CLIFFORD T	
KIRSCH ,JAMES F	TOMPKINS ,PAUL K	
PETRIK ,JASON S	TUOMI ,JOHN N	
GRAHAM ,JAMES D	VETOR ,DUKE D	
MEE ,TERRENCE R		
TISH ,JOHN G	**SHARES**	
CEBULA ,ROBERT C	BARTOLOMUCCI ,JAMES M	
FLANAGAN ,TIMOTHY K	BLAKE ,DAVID B	
PARADIE ,TERRANCE M	BOOR ,WILLIAM C	
FEDOR ,TERRY G	BRAKE ,WILLIAM A	
MILLBURG ,LAWRENCE J	BRLAS ,LAURIE	
WEBB ,DAVID	CHEVERINE ,CAROLYN E	
MICHAUD ,JAMES R	LATENDRESSE ,EDWARD M	
CARLSON ,PAUL A	MARIANI ,RONALD	
BITTNER ,MATTHEW C	MEE ,TERRENCE R	
CROSWELL ,JACK T	MICHAUD ,JAMES R	
DORR ,NEIL E	MLINAR ,MICHAEL P	
KOCHEVAR ,JAMES M	MORRIS ,MICHAEL J	
MORRIS ,MICHAEL J	PARADIE ,TERRANCE M	
HOLSTEN ,KENNETH C	SMITH ,CLIFFORD T	

PLAN 26042: 2012 NON-QUALIFIED DEFERRED COMPENSATION PLAN

PAVLICH ,KENNETH P
SMITH ,CLIFFORD T
VETOR ,DUKE D
SILVA ,JAMES P
WHITEFORD ,SEAN M

Plan 29043: 2005 VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN

SHARES (cont.)

SMITH ,GLENN W
TOMPKINS ,PAUL K
TUOMI ,JOHN N
VETOR ,DUKE D

Plan 29043: 2000 VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN

EXHIBIT 10.34

SEVENTH AMENDMENT TO TRUST AGREEMENT NO. 7

This Seventh Amendment to Trust Agreement No. 7 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 7.

WITNESSETH

WHEREAS, on April 9, 1991 the Company and the Trustee entered into Trust Agreement No. 7;

WHEREAS, Section 12 of Trust Agreement No. 7 provides that such Trust Agreement may be amended by the Company and the Trustee; and

WHEREAS, Section 9(c) of Trust Agreement No. 7 provides that Exhibit A thereto may be amended by the Company by furnishing to the Trustee an amendment thereto.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 7 to provide as follows:

1. Exhibit A is amended in its entirety to read as attached hereto.

2. Exhibit B is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Seventh Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham
Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja
Title: Vice President

EXHIBIT A

Effective July 28, 2014

TRUST AGREEMENT NO. 7

All Senior Corporate Officers and other full-time salaried employees who have a Management Performance Incentive Plan Pay Band E or above, including:

Baisden, Steven
Bittner, Matthew
Boor, William
Cartella, David
Cebula, Robert
Dorr, Neil
Fedor, Terry
Flanagan, Timothy
Forrester, Traci
Graham, James
Halverson, Gary
Harapiak, Maurice
Kochevar, James
LaTendresse, Edward
Mallett, Marc
McFadden, William
McLaughlin, Michael
Mee, Terrence
Millburg, Lawrence
Miller, William
Nelson, Mark
Paradie, Terrance
Petrik, Jason
Phelps, Richard
Romani, Santi
Smith, Clifford
Tompkins, Paul
Webb, David
Whiteford, Sean

Aderhold, Ronald
Bartolomucci, James
Fink, Richard
Graber, Ronald
Holsten, Kenneth
Hunsinger-Gorenc, Stephanie
Michaud, James
Mlinar, Michael
Morris, Michael
Silva, James
Tretheway, Dolores
Tuomi, John
Vetor, Duke

EXHIBIT B

CLIFFS NATURAL RESOURCES INC.
SUPPLEMENTAL RETIREMENT BENEFIT PLAN

(as Amended and Restated Effective December 1, 2006)

TABLE OF CONTENTS

CLIFFS NATURAL RESOURCES INC.
SUPPLEMENTAL RETIREMENT BENEFIT PLAN
(as Amended and Restated Effective December 1, 2006)

WHEREAS, Cliffs Natural Resources Inc ("Cliffs") and its subsidiary corporations and affiliates have established, or may hereafter establish, one or more qualified retirement plans;

WHEREAS, the qualified retirement plans, pursuant to Sections 401(a) and 415 of the Internal Revenue Code of 1986, as amended, place certain limitations on the amount of contributions that would otherwise be made thereunder for certain participants;

WHEREAS, Cliffs now desires to provide for the contributions which would otherwise have been made for such participants under certain of its qualified retirement plans except for such limitations, in consideration of services performed and to be performed by each such participant for Cliffs and its subsidiaries and affiliates; and

WHEREAS, Cliffs has entered into, and Cliffs and its subsidiary corporations and affiliates may in the future enter into, agreements with certain executives providing for additional service credit and/or other features for purposes of computing retirement benefits, in consideration of services performed and to be performed by such executives for Cliffs and its subsidiaries and affiliates.

NOW, THEREFORE, Cliffs hereby amends and restates and publishes the Supplemental Retirement Benefit Plan heretofore established by it, which shall contain the following terms and conditions:

Definitions . 1) The following words and phrases when used in this Plan with initial capital letters shall have the following respective meanings, unless the context clearly indicates otherwise. The masculine whenever used in this Plan shall include the feminine.

"Affiliate" shall mean any partnership or joint venture of which any member of the Controlled Group is a partner or venturer and which shall adopt this Plan pursuant to paragraph 5.

"Beneficiary" shall mean such person or persons (natural or otherwise) as may be designated by the Participant as his Beneficiary under this Plan. Such a designation may be made, and may be revoked or changed (without the consent of any previously designated Beneficiary), only by an instrument (in form acceptable to Cliffs) signed by the Participant and may be revoked or changed (without the consent of any previously designated Beneficiary), only by an instrument (in form acceptable to Cliffs) signed by the Participant and filed with Cliffs prior to the Participant's death. In the absence of such a designation and at any other time when there is no existing Beneficiary designated by the Participant to whom payment is to be made pursuant to his designation, his Beneficiary shall be his beneficiary under the Pension Plan. A person designated by a Participant as his Beneficiary who or which ceases to exist shall not be entitled to any part of any payment thereafter to be made to the Participant's Beneficiary unless the Participant's designation specifically provided to the contrary. If two or more persons designated as a Participant's Beneficiary are in existence, the amount of any payment to the Beneficiary under this Plan shall be divided equally among such persons unless the Participant's designation specifically provided to the contrary.

"Code" shall mean the Internal Revenue Code of 1986, as it has been and may be amended from time to time.

“Code Limitations” shall mean the limitations imposed by Sections 401(a) and 415 of the Code, or any successor thereto, on the amount of the benefits which may be payable to a Participant from the Pension Plan.

“Controlled Group” shall mean Cliffs and any corporation in an unbroken chain of corporations beginning with Cliffs, if each of the corporations other than the last corporation in the chain owns or controls, directly or indirectly, stock possessing not less than fifty percent of the total combined voting power of all classes of stock in one of the other corporations.

“Employer(s)” shall mean Cliffs and any other member of the Controlled Group and any Affiliate which shall adopt this Plan pursuant to paragraph 5.

“Participant” shall mean each person (i) who is a participant in the Pension Plan on or after December 1, 2006, (ii) who is a senior corporate officer of Cliffs or a full-time salaried employee of an Employer who has a Management Performance Incentive Plan Pay Band E or above, and (iii) who as a result of participation in this Plan is entitled to a Supplemental Benefit under this Plan. Each person who is as a Participant under this Plan shall be notified in writing of such fact by his Employer, which shall also cause a copy of the Plan to be delivered to such person.

“Pension Plan” shall mean, with respect to any Participant, the defined benefit plan specified on Exhibit A hereto in which he participates.

“Supplemental Agreement” shall mean, with respect to any Participant, an agreement between the Participant and an Employer, and approved by Cliffs if it is not the Employer, which provides for additional service credit and/or other features for purposes of computing retirement benefits.

“Supplemental Benefit” or “Supplemental Pension Plan Benefit” shall mean a retirement benefit determined as provided in paragraph 2.

“Supplemental Retirement Benefit Plan” or “Plan” shall mean this Plan, as the same may hereafter be amended or restated from time to time.

”Termination of Employment” shall mean the “separation from service” for purposes of Section 409A of the Code of any Participant or former Participant from his Employer, generally including the severance of such employee’s employment relationship with his Employer for any reason, voluntarily or involuntarily, and with or without cause, including without limitation, quit, discharge, retirement, disability, death, failure to return to active employment at the end of a leave of absence (including military leave, sick leave, or other bona fide leave of absence) or permanent decrease in service to his Employer to a level that is no more than twenty percent (20%) of its prior level, as described below. For this purpose, whether a separation from service has occurred is determined based on whether it is reasonably anticipated that no further services will be performed by such employee after a certain date or that the level of bona fide services the employee will perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36) month period (or the full period of services if the employee has been providing services for less than thirty-six (36) months). For purposes of this definition, the term “Employer” shall mean the Employer of the Participant and any other entity that is treated as a single employer with such Employer under Section 414(b) and (c) of the Code, provided that in such Code Sections “50%” shall be used wherever “80%” appears. The preceding rule shall only apply during the periods any such corporation, business organization or member would be so considered under Section 414(b) or 414(c) of the Code. The transfer of an employee from the Employer for whom he provides services to any entity that is an Employer within the meaning of the preceding two sentences (or vice versa) shall not constitute a Termination of Employment for purposes of this Plan.

Determination of the Supplemental Pension Plan Benefit. Each Participant or Beneficiary of a deceased Participant whose benefits under the Pension Plan payable or accrued on or after January 1, 1995 are reduced (a) due to the Code Limitations, or (b) due to deferrals of compensation by such Participant under the 2005 Cliffs Natural Resources Inc. Voluntary Non-Qualified Deferred Compensation Plan (the "Deferred Compensation Plan"), and each Participant who has entered into a Supplemental Agreement with his Employer (and, where applicable a Beneficiary of a deceased Participant), shall be entitled to a Supplemental Pension Plan Benefit if he should have a Termination of Employment at a time when he is vested in his benefit under the Pension Plan. The amount of the Supplemental Pension Plan Benefit at any time shall be a monthly retirement benefit equal to the difference between:

(i) the amount of the monthly benefit payable or accrued to the Participant or his Beneficiary under the Pension Plan, determined under the Pension Plan as in effect at such time, but calculated without regard to any reduction in the Participant's compensation pursuant to the Deferred Compensation Plan, and as if the Pension Plan did not contain a provision (including any phase-in or extended wear away provision) implementing the Code Limitations, and after giving effect to the provisions of any Supplemental Agreement, and

(ii) the sum of (X) the amount of the monthly benefit in fact payable or accrued to the Participant or his Beneficiary under the Pension Plan and (Y) the sum of the Supplemental Pension Plan Benefits previously paid out to the Participant.

Payment of the Supplemental Pension Plan Benefit.

A Participant's (or his Beneficiary's) vested Supplemental Pension Plan Benefit (calculated as provided in paragraph 2) shall be converted, six (6) months after Termination of Employment into a lump sum of equivalent actuarial value. The equivalent actuarial value shall be determined by the actuary selected by Cliffs based on the "Applicable Mortality Table" used from time to time under Section 417(e) of the Code and other factors then in effect for purposes of the Pension Plan.

A Participant's vested Supplemental Pension Plan Benefit shall be distributed to the Participant the first day of the month following six (6) months after Termination of Employment in the form of a lump sum payment. Plan Participants as of December 1, 2006 may elect prior to December 31, 2006 to receive payment of vested Plan benefits in ten (10) annual installments commencing the first day of the month following six (6) months after Termination of Employment by completing a Benefit Payment Election Form. A person who becomes a Participant of the Plan on or after December 1, 2006 has the right to elect payment of his or her vested Supplemental Pension Plan Benefit in ten (10) annual installments commencing the first day of the month following six (6) months after Termination of Employment by completing a Benefit Payment Election Form within thirty (30) days from the day in which the person became eligible to participate in the Plan. The ten (10) annual installments shall be actuarially equivalent to the lump sum payment using the same actuarial assumptions as used in subparagraph A of this paragraph and shall be considered to be a single form of payment.

Notwithstanding subparagraph B of this paragraph, a Participant may elect after the timeframes set forth above to change the form of payment in effect with respect to the Participant's Supplemental Pension Plan Benefit, provided that such new election is made no later than six (6) months prior to his Termination of Employment, may not take effect for twelve (12) months after the election is made and shall result in the deferral of Supplemental Pension Plan Benefit payments for five (5) years from the previously applicable time or commencement date of payment.

A Beneficiary of a Participant shall receive the vested Supplemental Pension Plan Benefit provided in paragraph 2 if the Participant dies prior to his or her Termination of Employment but after he is vested in his accrued benefit under the Pension Plan. Such vested benefit shall be paid in a single lump sum within 60 days following the date of death. If the Participant dies after his or her

Termination of Employment, the Beneficiary shall receive any remaining vested Supplemental Pension Plan Benefit not paid to the Participant at the time of death, which shall be paid within 60 days of death.

General .

(1) The entire cost of this Supplemental Retirement Benefit Plan shall be paid from the general assets of one or more of the Employers. It is the intent of the Employers to so pay benefits under the Plan as they become due; provided, however, that Cliffs may, in its sole discretion, establish or cause to be established a trust account for any or each Participant pursuant to an agreement, or agreements, with a bank and direct that some or all of a Participant's benefits under the Plan be paid from the general assets of his Employer which are transferred to the custody of such bank to be held by it in such trust account as property of the Employer subject to the claims of the Employer's creditors until such time as benefit payments pursuant to the Plan are made from such assets in accordance with such agreement; and until any such payment is made, neither the Plan nor any Participant or Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, such assets. No liability for the payment of benefits under the Plan shall be imposed upon any officer, director, employee, or stockholder of Cliffs or other Employer. Not

Notwithstanding the provisions of paragraph 4.A.(1), upon the earlier to occur of (a) a Change in Control of Cliffs (for purposes of the Plan the term "Change in Control" shall have the meaning set forth in the Deferred Compensation Plan or any successor thereto) or (b) a declaration by the Board of Directors of Cliffs (the "Board") that a Change in Control is imminent, Cliffs shall promptly, to the extent it has not previously done so, and in any event within five (5) business days, transfer to KeyTrust Company of Ohio, N.A., as trustee ("Trustee") of Trust Agreement No. 7 ("Trust Agreement No. 7") dated April 9, 1991, as amended, between the Trustee and Cliffs, a sum equal to (aa) the present value on the date of the Change in Control (or on such fifth (5th) business day if the Board has declared a Change in Control to be imminent) of the payments to be made to the Participants under this Plan, such present value to be computed using the assumptions and factors used in the Plan, less (bb) the (balance in the Participant's account provided for in Section 7(b) of Trust Agreement No. 7) as of the most recent completed valuation thereof, as certified by the Trustee under Trust Agreement No. 7; provided, however, that if the Trustee does not so certify by the end of the fourth (4th) business day after the earlier of such Change in Control or declaration, then the balance of such account shall be deemed to be zero. Any payments of benefits by the Trustee pursuant to Trust Agreement No. 7 shall, to the extent thereof, satisfy Cliffs' obligation to pay benefits hereunder, it being the intent of Cliffs that assets in such Trust be held, subject to the claims of Cliffs' creditors, to assist Cliffs in meeting its obligation to pay benefits under this Plan. Notwithstanding the foregoing, no transfer of assets to Trust Agreement No. 7 or any other such trust or funding vehicle shall be made if such transfer would violate the terms of Section 409A(b)(2) or (b)(3) of the Code.

No right or interest of a Participant or his Beneficiary under this Supplemental Retirement Benefit Plan shall be anticipated, assigned (either at law or in equity) or alienated by the Participant or his Beneficiary, nor shall any such right or interest be subject to attachment, garnishment, levy, execution or other legal or equitable process or in any manner be liable for or subject to the debts of any Participant or Beneficiary. If any Participant or Beneficiary shall attempt to or shall alienate, sell, transfer, assign, pledge or otherwise encumber his benefits under the Plan or any part thereof, or if by reason of his bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then Cliffs may terminate his interest in any such benefit and hold or apply it to or for his benefit or the benefit of his spouse, children or other person or persons in fact dependent upon him, or any of them, in the manner and at the time it otherwise would have been paid under the Plan.

Employment rights shall not be enlarged or affected hereby. The Employers shall continue to have the right to discharge or retire a Participant, with or without cause.

Notwithstanding any other provisions of this Plan to the contrary, if Cliffs determines that any Participant may not qualify as a “management or highly compensated employee” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or regulations thereunder, Cliffs may determine, in its sole discretion, that such Participant shall cease to be eligible to accrue further benefits under this Plan. The Participant’s then accrued Supplemental Benefit shall be held under the Plan to be paid in accordance with Section 3 hereof.

Adoption of Supplemental Retirement Benefit Plan. Any member of the Controlled Group or any Affiliate which is an employer under the Pension Plan may become an Employer hereunder with the written consent of Cliffs if such member or such Affiliate executes an instrument evidencing its adoption of the Supplemental Retirement Benefit Plan and files a copy thereof with Cliffs. Such instrument of adoption may be subject to such terms and conditions as Cliffs requires or approves.

Miscellaneous. A. The Plan shall be administered by the plan administrator (the “Administrator”). The Administrator shall have the sole and absolute discretion to interpret the provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Participants and other persons, to decide disputes arising under the Plan and to make any determinations and findings (including factual findings) with respect to the benefits payable thereunder and the persons entitled thereto as may be required for the purposes of the Plan. In furtherance thereof, but without limiting the foregoing, the Administrator is hereby granted the following specific authorities, which it shall discharge in its sole and absolute discretion in accordance with the terms of the Plan (as interpreted, to the extent necessary, by the Administrator):

(i) To resolve all questions (including factual questions) arising under the provisions of the Plan as to any individual’s entitlement to become a Participant;

(ii) to determine the amount of benefits, if any, payable to any person under the Plan (including to the extent necessary, making factual findings with respect thereto); and

(iii) to conduct the review procedures specified in paragraph 6.D.

All decisions of the Administrator as to the facts of any case, and the application thereof to any case, as to the interpretation of any provision of the Plan or its application to any case, and as to any other interpretative matter or other determination or question under the Plan shall be final and binding on all parties affected thereby. The Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who may be counsel to Cliffs. All elections, notices and directions under the Plan by a Participant shall be made on such forms as the Administrator shall prescribe.

B. Cliffs shall be the “Administrator” and the “Plan Sponsor” under the Plan for purposes of ERISA.

C. Except to the extent federal law controls, all questions pertaining to the construction, validity and effect of the provisions hereof shall be determined in accordance with the laws of the State of Ohio.

D. Whenever there is denied, whether in whole or in part, a claim for benefits under the Plan filed by any person (herein referred to as the “Claimant”), the Administrator shall transmit a written notice of such decision to the Claimant, which notice shall be written in a manner calculated to be understood by the Claimant and shall contain a statement of the specific reasons for the denial of the claim and a statement advising the Claimant that, within 60 days of the date on which he receives such notice, he may obtain review of such decision in accordance with the procedures hereinafter set forth. Within such 60-day period, the Claimant or his authorized representative may request that the claim denial be reviewed by filing with the Administrator a written request therefor, which request shall contain the following information:

(i) the date on which the Claimant's request was filed with the Administrator; provided, however, that the date on which the Claimant's request for review was in fact filed with the Administrator shall control in the event that the date of the actual filing is later than the date stated by the Claimant pursuant to this paragraph;

(ii) the specific portions of the denial of his claim which the Claimant requests the Administrator to review;

(iii) a statement by the Claimant setting forth the basis upon which he believes the Administrator should reverse the previous denial of his claim for benefits and accept his claim as made; and

(iv) any written material (offered as exhibits) which the Claimant desires the Administrator to examine in its consideration of his position as stated pursuant to clause (iii) above.

Within 60 days of the date determined pursuant to clause (i) above, the Administrator shall conduct a full and fair review of the decision denying the Claimant's claim for benefits, and shall render a written decision with respect to the claim, written in a manner calculated to be understood by the Claimant, specifying the reasons for its decision and the Plan provisions upon which its decision was based.

E. Supplemental Pension Plan Benefits shall be subject to applicable withholding and such other deductions as shall at the time of payment be required or appropriate under any Federal, State or Local law**.**

Amendment and Termination . 1) Cliffs has reserved and does hereby reserve the right to amend, at any time, any or all of the provisions of the Supplemental Retirement Benefit Plan for all Employers, without the consent of any other Employer or any Participant, Beneficiary or any other person. Any such amendment shall be expressed in an instrument executed by Cliffs and shall become effective as of the date designated in such instrument or, if no such date is specified, on the date of its execution.

B. Cliffs, on behalf of itself and of each Employer, in its sole discretion, may terminate this Plan at any time and for any reason whatsoever. In the event Cliffs elects to terminate the Plan as provided in this Section, no distribution of Supplemental Pension Plan Benefits or payment of benefits shall occur as a result, except as otherwise provided in an amendment to this Plan, including without limitation an amendment to the Plan for the liquidation and termination of the Plan where:

(i) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company and Affiliates;

(ii) the Plan and all arrangements required to be aggregated with the Plan under Section 409A of the Code are terminated and liquidated;

(iii) no payments, other than those that would be payable under the terms of the Plan and the aggregated arrangements if the termination and liquidation had not occurred, are made within twelve (12) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan;

(iv) all payments are made within twenty-four (24) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan; and

(v) the Company or Subsidiaries do not adopt a new arrangement that would be aggregated with any terminated arrangement under Section 409A of the Code, at any time within three (3) years following the date of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

C. Notwithstanding the foregoing provisions hereof, no amendment or termination of the Supplemental Retirement Benefit Plan shall, without the consent of the Participant, adversely affect the accrued benefit under the Plan of such Participant.

D. Any other Employer which shall have adopted the Plan may, with the written consent of Cliffs, elect separately to withdraw from the Plan and, subject to subparagraph B above, such withdrawal shall constitute a termination of the Plan as to it, but it shall continue to be an Employer for the purposes hereof as to Participants and Beneficiaries to whom it owes obligations hereunder. Any such withdrawal and termination shall be expressed in an instrument executed by the terminating Employer and shall become effective as of the date designated in such instrument, or if no date is specified, on the date of its execution.

Effective Date . The amended and restated Supplemental Retirement Benefit Plan shall be effective as of December 1, 2006.

IN WITNESS WHEREOF, Cliffs Natural Resources Inc. pursuant to the order of its Board of Directors, has executed this amended and restated Supplemental Retirement Benefit Plan at Cleveland, Ohio, as of the 31 day of December, 2008.

CLIFFS NATURAL RESOURCES INC.

By: /s/ W.A. Brake

Title: EVP Human & Tech. Resources

Exhibit A

Pension Plans

Pension Plan for Salaried Employees of the Cleveland-Cliffs Inc and its Associated Employers

Ore Mining Companies Pension Plan

EXHIBIT 10.39

FOURTH AMENDMENT TO TRUST AGREEMENT NO. 8

This Fourth Amendment to Trust Agreement No. 8 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 8.

WITNESSETH

WHEREAS, on April 9, 1991 the Company and the Trustee entered into Trust Agreement No. 8;

WHEREAS, Section 12 of Trust Agreement No. 8 provides that such Trust Agreement may be amended by the Company and the Trustee; and

WHEREAS, Section 9(c) of Trust Agreement No. 8 provides that Exhibit A thereto may be amended by the Company by providing to the Trustee an amendment thereto.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 8 to provide as follows:

1. Exhibit A is amended in its entirety to read as attached hereto.
2. Exhibit B is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Fourth Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham
Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja
Title: Vice President

EXHIBIT A

Effective July 28, 2014

CLIFFS NATURAL RESOURCES INC.

PARTICIPANTS IN RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

James D. Ireland III (to the extent not already paid under this Plan)

EXHIBIT B

Amended and Restated Cleveland-Cliffs Inc
Retirement Plan for Non-Employee Directors
As Amended

AMENDED AND RESTATED CLEVELAND-CLIFFS INC
RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

THIS RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS ("Plan") was established effective June 1, 1984 by The Cleveland-Cliffs Iron Company ("Cliffs Iron") and adopted and assumed by Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs" or the "Company"), effective September 1, 1985, amended and restated effective January 1, 1988, amended by First Amendment, dated July 1, 1995, and is amended and restated effective July 1, 1995 to read as follows:

RECITALS

A. The Board of Directors of the Company (the "Board of Directors") has determined that the Participants (as hereinafter defined) have, individually and collectively, made and may continue to make an essential contribution to the profitability, growth, financial strength and overall guidance of the Company.

B. The Company wishes to provide an incentive to attract and maintain the highest quality of individuals to serve as directors (the "Directors") of the Company.

Section 1. ESTABLISHMENT OF THE PLAN

1.1 The Plan. The Company, intending that the Participants and Directors shall rely thereon, hereby establishes this Plan.

1.2 Amendments, Etc. The Company shall not amend, suspend or terminate this Plan or any provision hereof, including without limitation this Section 1.2, without the prior approval of a majority of the Directors present at a meeting of the Board of Directors at which a quorum (as defined in the Regulations of the Company) is present. Anything in the Plan to the contrary notwithstanding, and notwithstanding any amendment, suspension or termination (hereinafter in this Section 1.2 collectively referred to as an "Amendment") of the Plan, no right under the Plan of any person who was a Participant or a Director immediately prior to any Amendment shall in any way be amended, modified, compromised, terminated or suspended without the prior written consent of such person. Without such consent, the rights under the Plan of a Participant and Director withholding such consent shall be as set forth in the Plan in the form that the Plan existed on the date such person's rights under the Plan vested as set forth in Section 2.2 (as amended by any Amendment consented to by such person).

Section 2. PARTICIPANTS

2.1 Participants. Each Director who has never been an employee or officer of the Company or Cliffs Iron and who first serves as a Director before July 1, 1995 (an "Outside Director") shall become a Participant in the Plan upon the completion of five years of continuous service as a Director. For the purposes of determining such five-year period of service, service as a director of Cliffs Iron prior to September 1, 1985 shall be aggregated with service as an Outside Director.

2.2 Vesting. The rights under the Plan of all persons who are Directors as of the date of adoption of the Plan shall vest simultaneously with the adoption of the Plan by the Company, and the rights under the Plan of all persons who become Directors subsequent to the adoption of the Plan shall vest immediately upon their election as Directors; provided, however, that the right of any Director to receive any benefits pursuant to Section 3 of the Plan shall be subject to the qualification of such Director as a Participant hereunder and to the Director's satisfaction of the requirements of Section 3 with respect to benefit entitlement.

2.3 Participation Upon Change of Control. Anything contained herein to the contrary notwithstanding, in the event of a "Change of Control" (as hereinafter defined), each Outside Director shall become a Participant in the Plan. A "Change of Control" shall mean the occurrence of any of the following events:

(a) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(b) The Company shall sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and immediately after such sale or transfer less than 70% of the combined voting power of the outstanding voting securities of such corporation or person is held in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such sale or transfer;

(c) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on July 1, 1995) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

d) During any period of three consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

Section 3. POST-RETIREMENT INCOME

3.1 Post-Retirement Income. Commencing upon a Participant's retirement from the Board of Directors (i) after attaining the normal retirement age for Directors, as established from time to time by the Board of Directors, with at least five years of continuous service as a Director, (ii) because of disability or health reasons, (iii) with the consent of the Board of Directors, or (iv) after a Change of Control (hereinafter collectively referred to as the Participant's "Commencement Date"), the Company will pay quarterly to the Participant an amount equal to the greatest of (v) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the Participant's Commencement Date, (vi) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the day immediately preceding a Change of Control, or (vii) One Hundred Percent (100%) of the stated quarterly Board of Directors retainer fee which is in effect from time to time; provided, however, that if a Participant's Commencement Date is on account of an event described in clause (iv) of this Section 3.1, such amount shall be reduced for any Participant with fewer than five years of continuous service as an Outside Director by Twenty Percent (20%) for each full year of continuous service less than five that such Participant has served as an Outside Director. For purposes of this Section 3.1, when determining the amount of an Outside Director's stated quarterly Board of Directors retainer fee, such retainer fee shall be deemed to include the stock component (if any, and whether restricted or unrestricted) of such fee. The duration of post-retirement income payments described in this Section 3.1 shall be as more fully described in Section 3.2. For purposes of this Section 3.1, the term "retirement" of an Outside Director shall include, following a Change of Control, resignation or the failure of the stockholders of the Company to re-elect such Outside Director.

3.2 Form of Payment. Post-retirement income payable pursuant to Section 3.1 shall be paid to the Participant in cash for such Participant's life in equal quarterly installments, each installment to be paid in advance on the first day of each quarter, beginning with the quarter that begins on the first day of the January, April, July or October coinciding with or next following such Participant's Commencement Date.

(a) Anything contained herein to the contrary notwithstanding, and subject to the provisions of subsection (c) of this Section 3.2, in the event a Participant is married on his Commencement Date, such Participant may elect to have his post-retirement income paid in the form of a "Joint and Survivor Benefit" (as hereinafter defined). For purposes of this Section 3.2, a "Joint and Survivor Benefit" is a reduced postretirement income that is payable to the Participant in equal quarterly installments for his life with the provision that, in the event the Participant should predecease his "Surviving Spouse" (as defined in subsection (b) of this Section 3.2), One Hundred Percent (100%) of such reduced post-retirement income shall be paid to his Surviving Spouse in equal quarterly installments for the duration of her life. Quarterly installments of the Joint and Survivor Benefit will be paid as more particularly set forth in the first paragraph of this Section 3.2. The post-retirement income payable to a Participant pursuant to the provisions of this subsection (a) shall be the "Actuarial Equivalent" (as defined in subsection (b) of this Section 3.2) of the post-retirement income described in the first paragraph of this Section 3.2.

(b) For purposes of this Section 3.2, the following terms shall have the following meanings. A Participant's "Surviving Spouse" is the person to whom the Participant is legally married on his Commencement Date. "Actuarial Equivalent" means a payment or series of payments having the same present value as the normal form of benefit distribution described in the first paragraph of this Section 3.2, and calculated based on (i) the mortality table in effect as of the date benefit distribution commences, which mortality table shall be the table prescribed by the Secretary of the Treasury and required for pension plan compliance under the provisions of Section 417(e) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, and (ii) interest equal to the average annual rate of interest on 30-year Treasury securities for the month prior to the month benefit distribution commences.

(c) Any married Participant may elect to have his post-retirement income paid in the form of a Joint and Survivor Benefit, as more particularly set forth in subsection (a) above, by written notice filed with the Board Affairs Committee of the Board of Directors (the "Committee") at least one year prior to the Participant's Commencement Date. Any such election may be changed by the Participant at any time and for any number of times prior to the Participant's Commencement Date and without the consent of any other person by the Participant filing a later signed written election with the Committee; provided, however, that any election made less than one year prior to the Participant's Commencement Date shall not be valid. A Participant's election of the Joint and Survivor Benefit pursuant to the provisions of this subsection (c) shall become irrevocable when the Participant commences receipt of benefits hereunder. Notwithstanding the foregoing proviso, any election made during the Thirty (30) day period which commences September 1, 1996 shall be a valid election for purposes of this subsection (c).

Section 4. GENERAL PROVISIONS

4.1 Successors and Binding Agreements. (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and to agree to perform this Plan in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Plan shall be binding upon and inure to the benefit of the Company and any successor of or to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Plan shall inure to the benefit of and be enforceable by each of the Participants or Directors and his respective personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) Neither the Company nor any Participant or Director hereunder shall assign, transfer or delegate this Plan or any rights or obligations hereunder except as expressly provided in Section 4.1(a). Without limiting the generality of the foregoing, no right or interest under this Plan of a Participant or Director (or any person claiming through or under any of them) shall be assignable or transferable in any manner or be subject to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Director or designated beneficiary. If any Participant or Director or designated beneficiary shall attempt to or shall transfer, assign, alienate, anticipate, sell, pledge or otherwise encumber his benefits hereunder or any part thereof, or if by reason of his bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then the Company, acting through the Board Affairs Committee of the Board of Directors, in its discretion, may terminate his interest in any such benefit to the extent the Company considers necessary or advisable to prevent or limit the effects of such occurrence. Termination shall be affected by filing a written "termination declaration" with the Plan's records and making reasonable efforts to deliver a copy to the Participant or Director or designated beneficiary (the "Terminated Participant") whose interest is adversely affected.

As long as the Terminated Participant is alive, any benefits affected by the termination shall be retained by the Company and, in the Company's sole and absolute judgment, may be paid to or expended for the benefit of the Terminated Participant, his spouse, his children or any other person or persons in fact dependent upon him in such a manner as the Company shall deem proper. Upon the death of the Terminated Participant, all benefits withheld from him and not paid to others in accordance with the preceding sentence shall be paid to the Terminated Participant's then living descendants, including adopted children, per stirpes, or, if there are none then living, to his estate.

4.2 Notices. For all purposes of this Plan, all communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to a Participant at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of change of address shall be effective only upon receipt.

4.3 Governing Law. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State.

4.4 Severability. Each section, subsection and lesser section of this Plan constitutes a separate and distinct undertaking, covenant and/or provision hereof. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law. In the event that any provision of this Plan shall finally be determined to be unlawful, such provision shall be deemed severed from this Plan, but every other provision of this Plan shall remain in full force and effect, and in substitution for any such provision held unlawful, there shall be substituted a provision of similar import reflecting the original intention of the parties hereto to the extent permissible under law.

4.5 Withholding of Taxes. The Company may withhold from any amounts payable under this Plan all federal, state, city and other taxes as shall be legally required.

4.6 Gender, Number, Etc. As used in this Plan, the singular shall include the plural and the masculine shall include the feminine, and vice versa.

IN WITNESS WHEREOF, this Amended and Restated Plan has been duly adopted by the Company as of July 1, 1995.

CLEVELAND-CLIFFS INC

By /s/ M.T. Moore
Chairman and Chief Executive Officer

AMENDMENT TO AMENDED AND RESTATED
CLEVELAND-CLIFFS INC RETIREMENT PLAN
FOR NON-EMPLOYEE DIRECTORS

The Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors, as amended and restated as of July 1, 1995, is hereby amended by adding a new paragraph to the end of Section 3.1 to read as follows:

> "Notwithstanding the preceding provisions of this Section 3.1, a Participant who has not attained the normal retirement age for Directors, but who has at least five years of continuous service as a Director, may commence the receipt of his benefit computed under this Section 3.1 on or after attaining the age of 65 (treating the date that he commences as his "Commencement Date"); provided, however, that such benefit shall be actuarially reduced, using assumptions and factors designated by an actuary selected by the Company, to reflect the commencement of such benefit prior to the normal retirement age for Directors."

IN WITNESS WHEREOF, this Amendment has been adopted by the Company as of January 1, 2001.

CLEVELAND-CLIFFS INC

By /s/ J.S. Brinzo
Chairman and Chief Executive Officer

SECOND AMENDMENT
TO THE
AMENDED AND RESTATED CLEVELAND-CLIFFS INC
RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

RECITALS

WHEREAS, Cleveland-Cliffs Inc (the "Company") has established the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (the "Plan") effective as of January 1, 1995; and

WHEREAS, the Company adopted an Amendment to the Plan, dated as of January 1, 2001; and

WHEREAS, Section 1.2 of the Plan provides that the Company may amend, suspend or terminate the Plan with the prior approval of a majority of the Directors present at a meeting of the Board of Directors, at which a "quorum" (as defined in the Regulations of the Company) is present; and

WHEREAS, the Company desires to amend the Plan to provide an offer of an immediate voluntary lump sum cash-out election of the present value of the accrued pension benefit under the Plan to all Participants.

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Plan is hereby amended, effective January 14, 2003 as follows:

1. Section 3 of the Plan is amended to add a new Section 3.2 as follows:

3.2 Lump Sum Payment Election of Post-Retirement Income. Notwithstanding the form of quarterly installment distributions provided in Section 3.1 above, during the period beginning on February 1, 2003 and ending on February 28, 2003 a Participant may voluntarily elect by written notice filed with the Company to receive from the Company payment of such Participant's post-retirement income benefits in a single lump sum. Payment of a Participant's lump sum benefit shall be payable on or about June 30, 2003. Amounts payable under Section 3.1 for purposes of the Participant's distribution shall be converted into a lump sum equivalent actuarial value as of December 31, 2002, (the "Lump Sum Benefit"). The Lump Sum Benefit shall be determined by the Company based on the Pension Benefit Guaranty Corporation interest rate for immediate annuities in effect for December, 2002 and the 2000 Annuity Mortality Table.

2. Effective Date. This Amendment No. 2 shall be effective on January 14, 2003.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc, pursuant to the order of its Board of Directors, has executed this Amendment No. 2 to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors at Cleveland, Ohio, as of the 14th day of January, 2003.

CLEVELAND-CLIFFS INC

By /s/ J.S. Brinzo
Chairman and Chief Executive Officer

EXHIBIT 10.42

SECOND AMENDMENT TO TRUST AGREEMENT NO. 9

This Second Amendment to Trust Agreement No. 9 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 9.

WITNESSETH

WHEREAS, on November 20, 1996 the Company and the Trustee entered into Trust Agreement No. 9;

WHEREAS, Sections 1.6 and 9.2 of Trust Agreement No. 9 provide that Exhibits A and B thereto may be amended by the Company by providing to the Trustee amendments thereto; and

WHEREAS, Section 1.6 provides that not later than the date of any Change of Control, the Company shall specify in an Exhibit C the nature, amounts and timing of the Benefits to which each Trust Beneficiary may become entitled; and

WHEREAS, Section 11.1 of Trust Agreement No. 9 provides that Trust Agreement No. 9 may be amended by the Company and the Trustee.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 9 to provide as follows:

1. Section 9.2 is amended in its entirety to read as follows:

"9.2 Amendments to Exhibit A (and directly corresponding amendments to Exhibit B) that modify one or more lists of Directors shall be made only in accordance with Section 1.6. No amendment to Exhibit A (and no amendment to Exhibit B) that would delete a Director may be made on or after the date on which a Change of Control occurs, except with the agreement of the Director or Directors affected by such change."

2. Section 11.1 is amended in its entirety to read as follows:

"11.1 This Agreement may be amended at any time and to any extent by a written instrument executed by the Trustee and the Company without the consent of any Trust Beneficiary, provided that the amendment does not adversely affect any Trust Beneficiary, and provided further that no amendment shall have the effect of altering Section 11.2."

3. Exhibit A is amended in its entirety to read as attached hereto.

4. Exhibit B is amended in its entirety to read as attached hereto.

5. A new Exhibit C is added to the end of Trust Agreement No. 9 to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Second Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham
Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja
Title: Vice President

EXHIBIT A

Effective July 28, 2014

CLIFFS NATURAL RESOURCES INC.

NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN PARTICIPANTS

To the extent not already paid as of July 28, 2014:

Ronald C. Cambre

James D. Ireland III

Francis R. McAllister

John C. Morley

EXHIBIT B

NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN AND THE FIRST AND SECOND AMENDMENTS THERETO

CLEVELAND-CLIFFS INC
NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN

WHEREAS, the Board of Directors of Cleveland-Cliffs Inc (the "Board of Directors") has determined that the "Participants" (as defined in Section 2.1) have, individually and collectively, made and may continue to make an essential contribution to the profitability, growth, financial strength and overall guidance of Cleveland-Cliffs Inc (the "Company") and

WHEREAS, the Company desires to provide an incentive to attract and maintain the highest quality of individuals to serve as directors (the "Directors");

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Company hereby establishes the CLEVELAND-CLIFFS INC NONEMPLOYEE DIRECTORS' SUPPLEMENTAL COMPENSATION PLAN (the "Plan") to be effective as of July 1, 1995, which Plan shall contain the following terms and conditions:

ARTICLE I

ESTABLISHMENT OF THE PLAN

1.1 The Plan. The Company, intending that the Participants and Directors shall rely thereon, hereby establishes the Plan.

1.2 Amendment, Suspension or Termination of Plan . The Company shall not amend, suspend or terminate the Plan or any provision hereof, including without limitation this Section 1.2, without the prior approval of a majority of the Directors present at a meeting of the Board of Directors at which a "quorum" (as defined in the Regulations of the Company) is present. Anything contained in the Plan to the contrary notwithstanding, and notwithstanding any amendment, suspension or termination (hereinafter collectively referred to in this Section 1.2 as an "Amendment") of the Plan, no right under the Plan of any person who was a Participant or a Director immediately prior to any Amendment shall in any way be amended, modified, compromised, terminated or suspended without the prior written consent of such person. Without such consent, the rights under the Plan of a Participant and Director withholding such consent shall be as set forth in the Plan in the form that the Plan existed on the date such person's rights under the Plan vested, as set forth in Section 2.2 (as such Section 2.2 may be amended by any Amendment consented to by such person).

ARTICLE II

PARTICIPANTS

2.1 Participants. Each Director who has never been an employee or officer of the Company and who first serves as a Director on or after July 1, 1995 (an "Outside Director") shall become a Participant in the Plan upon the completion of five years of continuous service as a Director.

2.2 Vesting. The rights under the Plan of all persons who are Directors and who first serve as such on or after July 1, 1995 shall vest immediately upon their election as Directors; provided, however, that the right of any Director to receive any benefits pursuant to Article III of the Plan shall be subject to the qualification of such Director as a Participant hereunder and to such Director's satisfaction of the requirements of Article III with respect to benefit entitlement.

2.3 Participation Upon Change of Control. Anything contained herein to the contrary notwithstanding, in the event of a "Change of Control" (as hereinafter defined), each Outside Director shall become a Participant in the Plan. A "Change of Control" shall mean the occurrence of any of the following events:

(a) The Company shall merge into itself, or be merged or consolidated with, another corporation and as a result of such merger or consolidation less than 70% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation;

(b) The Company shall sell or otherwise transfer all or substantially all of its assets to any other corporation or other legal person, and immediately after such sale or transfer less than 70% of the combined voting power of the outstanding voting securities of such corporation or person is held in the aggregate by the former shareholders of the Company as the same have existed immediately prior to such sale or transfer;

(c) A person, within the meaning of Section 3(a)(9) or of Section 13(d)(3) (as in effect on July 1, 1995) of the Securities Exchange Act of 1934, shall become the beneficial owner (as defined in Rule 13d-3 of the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934) of 30% or more of the outstanding voting securities of the Company (whether directly or indirectly); or

(d) During any period of three consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease, for any reason, to constitute at least a majority thereof, unless the election, or the nomination for election by the shareholders of the Company, of each Director first elected during any such period was approved by a vote of at least one-third of the Directors of the Company who are Directors of the Company on the date of the beginning of any such period.

ARTICLE III

POST-RETIREMENT INCOME

3.1 Post-Retirement Income. Commencing upon a Participant's retirement from the Board of Directors (i) with at least five years of continuous service as a Director, or (ii) after a Change of Control (hereinafter collectively referred to as the Participant's "Commencement Date"), the Company will pay quarterly to the Participant an amount equal to Fifty Percent (50%) of the stated quarterly Board of Directors retainer fee for service as an Outside Director which is in effect on the Participant's retirement; provided however, that such amount shall only be payable to a Participant during his "Payment Period" (as defined in Section 3.2); provided further, that payment of such amount shall not commence prior to the Participant's 65th birthday, except in the case of disability of the Participant; and, provided further, that if a Participant's Commencement Date is on account of an event described in clause (ii) of this Section 3.1, such amount shall be reduced for any Participant with fewer than five years of continuous service as an Outside Director by Twenty Percent (20%) for each full year of continuous service less than five that such Participant has served as an Outside Director. For purposes of this Section 3.1, when determining the amount of an Outside Director's stated quarterly Board of Directors retainer fee, such retainer fee shall be deemed to include the stock component (if any, and whether restricted or unrestricted) of such fee. The duration of post-retirement income payments described in this Section 3.1 shall be as more fully described in Section 3.2. For purposes of this Section 3.1, the term "retirement" of an Outside Director shall be deemed to include: (i) the failure of the stockholders of the Company to re-elect such Outside Director; provided, however, that the right of any Director to receive benefits pursuant to the provisions of this Article III shall be subject to the Director's satisfaction of the applicable requirements of Article III with respect to benefit entitlement, and (ii) following a Change of Control, resignation or the failure of the stockholders of the Company to re-elect such Outside Director.

3.2 Form of Payment. Post-retirement income payable pursuant to Section 3.1 shall be paid to the Participant for a period equal to his years of continuous service on the Board of Directors (the "Payment Period"). Such post-retirement income shall be paid in cash to the Participant in equal quarterly installments, each installment to be paid in advance on the first day of each quarter, beginning with the quarter that begins on the first day of the January, April, July or October coinciding with or next following such Participant's Commencement Date. In the event a Participant who is married on his Commencement Date dies during his Payment Period and prior to the distribution of all post-retirement income to which he is entitled hereunder, the remaining post-retirement income installment payments shall be paid to his "Surviving Spouse" (as hereinafter defined) for the remainder of the Payment Period or, if earlier, until the death of such Surviving Spouse. For purposes of this Section 3.2, "Surviving Spouse" means the person to whom a Participant is legally married on his Commencement Date. In the event a Participant who is not married on his Commencement Date dies during his Payment Period and prior to the distribution of all post-retirement income to which he is entitled hereunder,. the last payment made hereunder shall be the payment made to the Participant for the quarter during which his death occurs.

ARTICLE IV

GENERAL PROVISIONS

4.1 Successors and Binding Agreements.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform hereunder the Plan in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. The Plan shall be binding upon and inure to the benefit of the Company and any successor of or to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed to be the "Company" for purposes of this Plan), but shall not otherwise be assignable or delegatable by the Company.

(b) The Plan shall inure to the benefit of and be enforceable by each of the Participants or Directors and his respective personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) Neither the Company nor any Participant or Director hereunder shall assign, transfer or delegate the Plan or any rights or obligations hereunder, except as expressly provided in Section 4.1(a). Without limiting the generality of the foregoing, no right or interest under the Plan of a Participant or Director (or of any person claiming under or through any of them) shall be assignable or transferable in any manner or be subject to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Director or designated beneficiary. If any Participant or Director or designated beneficiary shall attempt to or shall transfer, assign, alienate, anticipate, sell, pledge or otherwise encumber his benefits hereunder or any part thereof, or if by reason of his bankruptcy or other event occurring at any time such benefits would devolve upon anyone else or would not be enjoyed by him, then the Company, acting through the Board Affairs Committee of the Board of Directors, in its discretion, may terminate his interest in any such benefit to the extent the Company considers it necessary or advisable in order to prevent or limit the effects of such occurrence. Such termination shall be affected by filing a written "termination declaration" with the Plan's records and by making reasonable efforts to deliver a copy of such "termination declaration" to the Participant or Director or designated beneficiary (the "Terminated Participant") whose interest is adversely affected.

As long as the Terminated Participant is alive, any benefits affected by the termination shall be retained by the Company and, in the Company's sole and absolute judgment, may be paid to or expended for the benefit of the Terminated Participant, his spouse, his children or any other person or persons in fact dependent upon him in such a manner as the Company shall deem proper. Upon the death of the Terminated Participant, all benefits withheld from him and not paid to others in accordance with the preceding sentence shall be paid to the Terminated Participant's then living descendants, including adopted children, per stirpes, or, if there are none then living, to his estate.

4.2 Notices. For all purposes of this Plan, all communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered on five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to a Participant at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of change of address shall be effective only upon receipt.

4.3 Forfeiture of Post-Retirement Income. No post-retirement income shall be paid to any Participant or Surviving Spouse hereunder unless the Participant agrees (i) to be available to the Company in an unpaid advisory capacity on and after his Commencement Date, and (ii) not to engage in any activity adverse to the interests of the Company. In the event the Participant breaches such agreement, no further payments to the Participant or his Surviving Spouse shall be made hereunder. Anything contained herein to the contrary notwithstanding, the provisions of this Section 4.3 shall not apply in the event of a Change of Control.

4.4 Governing Law. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of laws of such State.

4.5 Severability. Each Section, subsection and lesser section of the Plan constitutes a separate and distinct undertaking, covenant and/or provision hereof. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law. In the event that any provision of the Plan shall finally be determined to be unlawful, such provision shall be deemed severed from the Plan, but every other provision of the Plan shall remain in full force and effect, and in substitution for any such provision held unlawful, there shall be substituted a provision of similar import reflecting the original intention of the parties hereto to the extent permissible under law.

4.6 Withholding of Taxes. The Company may withhold from any amounts payable under the Plan all federal, state, city and other taxes as shall be legally required.

4.7 Gender and Number. As used in the Plan, the singular shall include the plural and the masculine shall include the feminine, and vice versa, all as required by the context

* * *

IN WITNESS WHEREOF, this Plan has been duly adopted by the Company as of July 1, 1995.

CLIFFS-CLIFFS INC

By: /s/ M. T. Moore

Title: Chairman and Chief Executive Officer

FIRST AMENDMENT

TO

CLEVELAND-CLIFFS INC NONEMPLOYEE DIRECTORS'

SUPPLEMENTAL COMPENSATION PLAN

RECITALS

WHEREAS, Cleveland-Cliffs Inc ("Company") established the Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan ("Plan") effective July 1, 1995; and

WHEREAS, Section 1.2 of the Plan provides that the Company may amend, suspend or terminate the Plan with the prior approval of a majority of the Directors present at a meeting of the Board of Directors, at which a "quorum" (as defined in the Regulations of the Company) is present; and

WHEREAS, the Company desires to amend the Plan to freeze the eligibility under the Plan to only those Directors who join the Board of Directors of the Company between July 1, 1995 and December 31, 1998.

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Plan is hereby amended, effective January 1, 1999, as follows:

1. Section 2.1 of the Plan is hereby amended to read:

> 2.1 PARTICIPANTS. Each Director who has never been an employee or officer of the Company and who first serves as a Director on or after July 1, 1995, and before January 1, 1999 (an "Outside Director") shall become a Participant in the Plan upon the completion of five years of continuous service as a Director.

2. Except as amended by this First Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 1 has been duly authorized by the Company as of November 10, 1998.

CLIFFS-CLIFFS INC

By: /s/ J.S. Brinzo

Title: President and Chief Executive Officer

SECOND AMENDMENT

TO THE

AMENDED AND RESTATED CLEVELAND-CLIFFS INC

RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

RECITALS

WHEREAS, Cleveland-Cliffs Inc (the "Company") has established the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (the "Plan") effective as of July 1, 1995; and

WHEREAS, the Company adopted an Amendment to the Plan, dated as of January 1, 2001; and

WHEREAS, Section 1.2 of the Plan provides that the Company may amend, suspend or terminate the Plan with the prior approval of a majority of the Directors present at a meeting of the Board of Directors, at which a "quorum" (as defined in the Regulations of the Company) is present; and

WHEREAS, the Company desires to amend the Plan to provide an offer of an immediate voluntary lump sum cash-out election of the present value of the accrued pension benefit under the Plan to all Participants.

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Plan is hereby amended, effective January 14, 2003 as follows:

1. Section 3 of the Plan is amended to add a new Section 3.3 as follows:

   3.3 Lump Sum Payment Election of Post-Retirement Income . Notwithstanding the form of quarterly installment distributions provided in Section 3.1 above, during the period beginning on February 1, 2003 and ending on February 28, 2003 a Participant may voluntarily elect by written notice filed with the Company to receive from the Company payment of such Participant's post-retirement income benefits in a single lump sum. Payment of a Participant's lump sum benefit shall be payable on or about June 30, 2003. Amounts payable under Section 3.1 for purposes of the Participant's distribution shall be converted into a lump sum equivalent actuarial value as of December 31, 2002, (the "Lump Sum Benefit"). The Lump Sum Benefit shall be determined by the Company based on the Pension Benefit Guaranty Corporation interest rate for immediate annuities in effect for December, 2002 and the 2000 Annuity Mortality Table.

2. Effective Date. This Amendment No. 2 shall be effective on January 14, 2003.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc, pursuant to the order of its Board of Directors, has executed this Amendment No. 2 to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors at Cleveland, Ohio, as of the 14th day of January, 2003.

CLIFFS-CLIFFS INC

By: /s/ J.S. Brinzo

Title: President and Chief Executive Officer

EXHIBIT C

[SEE SECTION 1.6 OF THE TRUST AGREEMENT. NOT LATER THAN THE DATE OF ANY CHANGE OF CONTROL, FOR EACH TRUST BENEFICIARY, SPECIFY “NATURE, AMOUNT AND TIMING OF BENEFITS” TO WHICH EACH IS ENTITLED]

EXHIBIT 10.45

SECOND AMENDMENT TO TRUST AGREEMENT NO. 10

This Second Amendment to Trust Agreement No. 10 is entered into effective as of July 28, 2014 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank, N.A., the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee").

WITNESSETH

WHEREAS, on November 20, 1996 the Company and the Trustee entered into Trust Agreement No. 10;

WHEREAS, Sections 1.6 and 9.2 of Trust Agreement No. 10 provide that Exhibits A and B thereto may be amended by the Company by providing to the Trustee amendments thereto; and

WHEREAS, Section 11.1 of Trust Agreement No. 10 provides that Trust Agreement No. 10 may be amended by the Company and the Trustee.

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 10 to provide as follows:

1. Section 9.2 is amended in its entirety to read as follows:

"9.2 Amendments to Exhibit A (and directly corresponding amendments to Exhibit B) that modify one or more lists of Directors shall be made only in accordance with Section 1.6. No amendment to Exhibit A (and no amendment to Exhibit B) that would delete a Director may be made on or after the date on which a Change of Control occurs, except with the agreement of the Director or Directors affected by such change."

2. Section 11.1 is amended in its entirety to read as follows:

"11.1 This Agreement may be amended at any time and to any extent by a written instrument executed by the Trustee and the Company without the consent of any Trust Beneficiary, provided that the amendment does not adversely affect any Trust Beneficiary, and provided further that no amendment shall have the effect of altering Section 11.2."

3. Exhibit A is amended in its entirety to read as attached hereto.

4. Exhibit B is amended in its entirety to read as attached hereto.

IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Second Amendment to be executed on this 28th day of July, 2014, each of which shall be an original Amendment.

CLIFFS NATURAL RESOURCES INC.

By: /s/ James D. Graham

Title: Vice President, Chief Legal Officer & Secretary

KEYBANK, N.A., as Trustee

By: /s/ Lester W. Dryja

Title: Vice President

EXHIBIT A

Effective July 28, 2014

CLIFFS NATURAL RESOURCES INC.
NONEMPLOYEE DIRECTORS' COMPENSATION PLAN PARTICIPANTS

Susan M. Cunningham

Barry J. Eldridge

Mark E. Gaumond

Andres R. Gluski

Janice K. Henry

Steven M. Johnson

James F. Kirsch

Richard K. Riederer

Timothy W. Sullivan

EXHIBIT B

NONEMPLOYEE DIRECTORS' COMPENSATION PLAN, AS AMENDED AND RESTATED EFFECTIVE DECEMBER 31, 2008

CLIFFS NATURAL RESOURCES INC.
NONEMPLOYEE DIRECTORS' COMPENSATION PLAN
(AS AMENDED aND restated EFFECTIVE DECEMBER 31, 2008)

Recitals

WHEREAS, Cliffs Natural Resources Inc. (formerly named Cleveland-Cliffs Inc) ("Company"), with approval of the Company's shareholders on May 14, 1996, established the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan ("Plan"), effective July 1, 1996;

WHEREAS, with approval of the Board of Directors of the Company ("Board"), the Plan was amended by the First Amendment to the Plan effective November 12, 1996;

WHEREAS, with the approval of the Board, the Plan was further amended by the Second Amendment to the Plan, effective May 13, 1997;

WHEREAS, with the approval of the Board, the Plan was further amended by the Third Amendment, effective January 1, 1999;

WHEREAS, with the approval of the Board and the shareholders, the Plan was further amended by the Fourth Amendment, effective May 8, 2001;

WHEREAS, with the approval of the Board, the Plan was amended and restated, effective January 1, 2004 and further amended and restated, effective as of January 1, 2005.

WHEREAS, the Company now desires to further amend and restate the Plan; and

WHEREAS, the Board has approved such amendment and restatement, effective December 31, 2008, in accordance with Section 8.2 of the Plan.

Amendment and Restatement

NOW, THEREFORE, the Plan is amended and restated as follows:

ARTICLE I. DEFINITIONS

Whenever the following terms are used in this Plan they shall have the meanings specified below unless the context clearly indicates to the contrary:

(a) "Account": A Deferred Fee Account and/or a Deferred Share Account, as the context may require.

(b) "Accounting Date": December 31 of each year and the last day of each calendar quarter.

(c) "Accounting Period": The quarterly period beginning on the date immediately following an Accounting Date and ending the next following Accounting Date.

(d) "Administrator": The Board Affairs Committee of the Board or any successor committee designated by the Board.

(e) "Annual Equity Grants": The Restricted Shares or Shares awarded annually pursuant to Section 3.1.

(f) "Beneficiary": The person or persons (natural or otherwise) designated pursuant to Section 7.7.

(g) "Board": The Board of Directors of the Company.

(h) "Change in Control": The meaning set forth in Section 3.1(b).

(i) "Code": The Internal Revenue Code of 1986, as amended.

(j) "Company": Cliffs Natural Resources Inc. (formerly named Cleveland-Cliffs Inc) or any successor or successors thereto.

(k) "Declared Rate": The Moody's Corporate Average Bond Yield as adjusted on the first business day of January, April, July and October or such other rate as the Administrator shall determine from time to time.

(l) "Deferral Commitment": An agreement made by a Director in a Participation Agreement to have all of his or her Annual Equity Grant and/or all or a specified portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares deferred under the Plan for a specified period in the future.

(m) "Deferral Period": The Plan Year for which a Director has elected to defer all of his or her Annual Equity Grant and/or all or a portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares.

(n) "Deferred Fees": The Fees credited to a Director's Deferred Fee Account pursuant to Articles IV and V and payable to a Director pursuant to Article VII.

(o) "Deferred Fee Account": The account maintained on the books of the Company for each Director pursuant to Article V.

(p) "Deferred Shares": The Annual Equity Grant, Required Retainer Shares and Voluntary Shares credited to a Director's Deferred Share Account pursuant to Articles IV and VI and payable to a Director pursuant to Article VII.

(q) "Deferred Share Account": The account maintained on the books of the Company for each Director pursuant to Article VI, which is comprised of the Deferred Share Annual Equity Subaccount and the Deferred Share Other Equity Subaccount.

(r) "Deferred Share Annual Equity Subaccount": The subaccount maintained on the books of the Company pursuant to Article VI for each Director who makes a Deferral Commitment with respect to one or more Annual Equity Grants.

(s) "Deferred Share Other Equity Subaccount": The subaccount maintained on the books of the Company pursuant to Article VI for each Director who makes a Deferral Commitment with respect to Required Retainer Shares and/or Voluntary Shares.

(t) "Director": An individual duly elected or chosen as a Director of the Company who is not also an employee of the Company or any of its subsidiaries.

(u) "Director Share Ownership Guidelines": Guidelines relating to ownership of Shares by Directors as established by the Administrator from time to time.

(v) “Disability” or “Disabled”: A Director shall be deemed to have a “Disability” or be “Disabled” if the Director is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (ii)by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an employer-sponsored accident and health plan, or (iii) determined to be totally disabled by the Social Security Administration.

(w) “Election Filing Date”: December 31 of the calendar year next preceding the first day of (i) in the case of dividends deferred under Section 3.1(e) of the Plan, the Plan Year in which Restricted Shares (on which such dividends are declared) are granted (ii) in the case of Fees, the Deferral Period in which the Fees would otherwise be earned (iii) in the case of an Annual Equity Grant, the Deferral Period in which the Restricted Shares or Shares would otherwise be awarded (iv) in the case of Required Retainer Shares and Voluntary Shares, the Deferral Period in which such shares would otherwise be earned.

(x) "Fair Market Value": With respect to a Share, the last reported closing price for a Share on the New York Stock Exchange (or any appropriate over-the-counter market if the Shares are no longer listed on such Exchange) for a day specified herein for which such fair market value is to be calculated, or if there was no sale of Shares so reported for such day, on the most recently preceding day on which there was such a sale.

(y) "Fees": The portion of the annual Retainer and other Director compensation payable in cash.

(z) "Participation Agreement": The agreement submitted by a Director to the Administrator in which a Director may specify an amount of Voluntary Shares, or may elect to defer receipt of all of his Annual Equity Grant and/or all or any portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares for a specified period in the future.

(aa) "Plan": The Plan set forth in this instrument as it may from time to time be amended.

(ab) "Plan Year": The 12-month period beginning January 1 and ending December 31.

(ac) "Prior Plan": The Company's Plan for Deferred Payment of Directors' Fees originally adopted in 1981.

(ad) "Restricted Shares": Shares automatically awarded pursuant to Section 3.1 as to which neither the substantial risk of forfeiture nor the restrictions on transfer referred to in Section 3.1 hereof have expired.

(ae) "Retainer": The portion of a Director's annual compensation that is payable without regard to number of Board or committee meetings attended, committee positions or the Lead Director position.

(af) "Required Retainer Shares": Such number of Shares or dollar value of a Director's Retainer as the Administrator may specify from time to time as the portion of a Director's Retainer required to be paid in Shares, less any amount such Director may have elected to receive in cash pursuant to Section 3.2 (a)(ii).

(ag) "Rule 16b-3": Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (or any successor rule to the same effect), as in effect from time to time.

(ah) "Settlement Date": The date which is the earliest to occur of the following: (i) the date of a Director’s Termination of Service (including by death); (ii) the date a Director becomes Disabled; (iii) the date of the occurrence of a Change in Control of the Company that constitutes a "change in the ownership or effective control" or a "change in the ownership or substantial portion of the assets" of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code and Treasury Regulation Section 1.409A-3(i)(5), or any successor provision; or (iv) the date prior to the date of Termination of Service selected by a Director pursuant to a Specified Date Payment Election for distribution of all of his or her Annual Equity Grants and/or all or any portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares deferred during such Deferral Period as provided in Section 7.3.

(ai) "Shares": The Company's fully paid, non-assessable Common Shares, par value $0.125 per share. Shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(aj) "Specified Employee": A specified employee with respect to the Company (or a controlled group member of the Company) determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code.

(ak) "Specified Date Payment Election": The portion of a Participation Agreement completed by a Director that indicates the form of distribution of the Director's Deferred Fee Account, Deferred Share Annual Equity Subaccount, and/or the Deferred Share Other Equity Subaccount that will be deferred until a specified date designated by the Director.

(al) "Termination of Service": A termination of service with the Company that constitutes a separation from service within the meaning of Treasury Regulation Section 1.409A-1(h).

(am) "Unforeseeable Emergency": A severe financial hardship to a Director resulting from (i) an illness or accident of the Director or Beneficiary or his or her spouse or dependent (as defined in Section 152(a) of the Code), (ii) loss of the Director's property due to casualty, or (iii) other similar or extraordinary circumstances arising as a result of events beyond the control of the Director.

(an) "Voluntary Shares": The meaning set forth in Section 3.2(b).

ARTICLE II. PURPOSE

The purpose of this Plan is to provide for the Annual Equity Grant to Directors and for the payment to Directors of a portion of the Retainer earned by them for services as Directors in Shares in order to further align the interests of Directors with the shareholders of the Company and thereby promote the long-term success and growth of the Company. In addition, the Plan is intended to provide Directors with opportunities to invest additional amounts of their compensation payable for services as a Director in Shares and defer receipt of any or all of such compensation.

ARTICLE III. ANNUAL EQUITY GRANTS, REQUIRED RETAINER SHARES AND VOLUNTARY SHARES

1. Automatic Annual Equity Grants.

(a) For the year 2008 and subsequent years, unless otherwise determined by the Board, each Director, shall automatically receive each year on the date of the annual meeting, the number of Restricted Shares equal to $75,000 divided by the Fair Market Value of a Share on the date of the annual meeting. Each Director who joins the Board after an annual meeting, shall receive a pro-rated amount of Restricted Shares from the date such Director joins the Board. Notwithstanding the foregoing, any Director who is age 69 years old or older on the date of an annual meeting shall, in lieu of Restricted Shares, receive an equal number of Shares (with no restrictions).

(b) The Restricted Shares may not be assigned, exchanged, pledged, sold, transferred or otherwise disposed of by a Director, except to the Company, and shall be subject to forfeiture as herein provided until the earliest to occur of the following ("Vesting Event"): (a) the third anniversary of the date of award; (b) a Change in Control (as defined below); (c) death; or (d) Disability. Any purported transfer in violation of the provisions of this paragraph shall be null and void, and the purported transferee shall obtain no rights with respect to such Restricted Shares. For purposes of this Section 3.1, "Change in Control" shall mean the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then outstanding voting stock of the Company; provided, however, that for purposes of this Section 3.1(b)(i) of Article III, the following acquisitions shall not constitute a Change in Control: (A) any issuance of voting stock of the Company directly from the Company that is approved by the Incumbent Board (as defined in Section 3.1(b)(ii) of Article III below), (B) any acquisition by the Company of voting stock of the Company, (C) any acquisition of voting stock of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, or (D) any acquisition of voting stock of the Company by any Person pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 3.1(b)(iii) of Article III, below; or

(ii) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) consummation of a reorganization, merger or consolidation involving the Company, a sale or other disposition of all or substantially all of the assets of the Company, or any other transaction involving the Company (each, a “Business Combination”), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of voting stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 55% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the voting stock of the Company, (B) no Person (other than the Company, such entity resulting from such Business Combination, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Combination, and (C) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 3.1(b)(iii) of Article III.

For purposes of this Section 3.1(b) of Article III, voting stock means securities entitled to vote generally in the election of directors, and subsidiary means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding capital or profits interests or voting stock.

(c) All of the Restricted Shares shall be forfeited by a Director who is terminated before a Vesting Event; provided, however, if service as a Director is terminated by the Company owing to removal as a Director without cause before the third anniversary of the date of an award, a portion of the Restricted Shares covered by such award that then remain forfeitable shall become freely transferable and nonforfeitable on a prorated basis (rounded up to the nearest whole Restricted Share) for the number of full months the Director remains on the Board during the three-year period from the date of grant.

(d) Unless otherwise directed by the Administrator, all certificates representing Restricted Shares shall be held in custody by the Company until the occurrence of a Vesting Event. As a condition to each award of Restricted Shares, unless otherwise determined by the Administrator, each Director shall have delivered to the Company a stock power, endorsed in blank, relating to the Restricted Shares covered by such award. After the occurrence of a Vesting Event, assuming no event has occurred that would effect a forfeiture of a Director's Restricted Shares, a certificate or certificates evidencing unrestricted ownership of such Shares shall be delivered to the Director.

(e) With respect to dividends on Restricted Shares:

(i) A Director may elect, prior to December 31, 2005 or the applicable Election Filing Date for any Plan Year thereafter, that all cash dividends declared with respect to Restricted Shares awarded during such Plan Year shall be deferred and reinvested in additional Common Shares during the period of restriction of such Restricted Shares and which shall be subject to the same restrictions as such Restricted Shares. Such deferral election shall be effective as of the applicable Election Filing Date and shall apply to dividends declared on Restricted Shares granted in the Plan Year following the applicable Election Filing Date and in each subsequent Plan Year unless terminated for a subsequent Plan Year by filing a termination election by the applicable Election Filing Date for such subsequent Plan Year.

(ii) In addition, any Director who joins the Board on or after January 1 of any Plan Year may make such an election with respect to dividends declared on his or her award of Restricted Shares within 30 days after becoming a Director. Such deferral election shall be effective when filed and shall apply only to dividends declared on Restricted Shares granted during the remainder of such Plan Year and in each subsequent Plan Year unless terminated for a subsequent Plan Year by filing a termination election by the applicable Election Filing Date for such subsequent Plan Year.

(iii) Once such a deferral election has been terminated, another deferral election may not be made.

(iv) All such deferred dividends shall be reinvested and held in the Director's name and shall be delivered as additional unrestricted Common Shares on the applicable Vesting Date, subject to vesting as provided in Section 3.1(b) hereof and proration as provided in Section 3.1(c) hereof.

2. Required Retainer Shares and Voluntary Shares.

(a) Payment of Retainer.

(i) Subject to Section 3.2(a)(ii), Section 3.2(b) and Article IV of this Plan, the Retainer established by the Administrator from time to time shall be payable in part as Required Retainer Shares payable on January 1 of the following year, and the balance of such Retainer and all other Fees shall be payable in cash quarterly in advance of each Accounting Period.

(ii) If a Director meets the Director Share Ownership Guidelines on December 1 of 2004 or any year thereafter, such Director may elect, by the filing of a Participation Agreement or such other form as may be approved by the Administrator by March 29, 2004 or by December 15 of such year, as applicable, to have up to 100% of such Director's Retainer paid by the Company in cash. Such election shall apply to the Director's Retainer for the Plan Year commencing January 1, 2004 or the Plan Year following such election, as applicable.

(b) Voluntary Shares. Prior to the commencement of any calendar quarter, a Director may elect by the filing of a Participation Agreement to have up to 100% of his or her Fees for such quarter paid by the Company in the form of Voluntary Shares and in lieu of the cash payment. Such Participation Agreement must be filed as a one-time election. Such election, unless subsequently terminated, shall apply to a Director's Fees for the remainder of the current Plan Year and each subsequent Plan Year. Once an election has been terminated another election may not be made.

(c) Issuance of Shares. On the first business day of each year the Company shall issue (i) to each Director a number of Shares equal to such Director's Required Retainer Shares for each Accounting Period during the prior Plan Year divided by the Fair Market Value per Share on the first day of such Accounting Period and (ii) to each Director who has made an election under Section 3.2(b), a number of Shares for each such Accounting Period equal to the portion of such Director's Fees for such Accounting Period that such Director has elected to receive as Voluntary Shares for such Accounting Period divided by the Fair Market Value per Share on the first day of such Accounting Period (less, in each case, the portion of the Required Retainer Shares and Voluntary Shares the Director elected to defer under Section 4.3). To the extent that the application of the foregoing formula would result in the issuance of fractional Shares, no fractional Shares shall be issued, but instead, the Company shall maintain two separate non-interest-bearing accounts for each Director, which accounts shall be credited with the amount of any Required Retainer Shares or Voluntary Shares, as the case may be, not convertible into whole Shares, which amounts shall be combined with Required Retainer Shares and Voluntary Shares, respectively, which are paid for the next following Plan Year. When whole Shares are issued by the Company to the Director on January 1, the amounts in such accounts shall be reduced by that amount which (when added to the Required Retainer Shares and Voluntary Shares for such Director for such quarter) results in the issuance of the maximum number of Shares to such Director. The Company shall pay any and all fees and commissions incurred in connection with the payment of Required Retainer Shares and Voluntary Shares to a Director in Shares.

ARTICLE IV. DEFERRAL OF FEES, annual equity GRANT, REQUIRED RETAINER SHARES AND VOLUNTARY SHARES

1. Deferral of Fees. A Director may elect to defer all or a specified percentage of his or her Fees earned for any Deferral Period by filing a Participation Agreement with the Administrator by the applicable Election Filing Date. Such Deferral Commitment shall be effective as of the applicable Election Filing Date and shall continue to be effective from Deferral Period to Deferral Period until terminated or modified by filing a new Participation Agreement with the Administrator, provided that such new Participation Agreement must be filed by the applicable Election Filing Date for the Deferral Period for which it is to be effective.

2. Crediting of Deferred Fees. The portion of a Director's Fees that is deferred pursuant to a Deferral Commitment shall be credited promptly following each Plan Year to the Director's Deferred Fee Account as of the date the corresponding non-deferred portion of his or her Fees would have been paid to the Director.

3. Deferral of Annual Equity Grant. A Director may elect to defer all of his or her Annual Equity Grant (in lieu of receiving Restricted Shares or Shares pursuant to Section 3.1(a)) awarded during any Deferral Period by filing a Participation Agreement with the Administrator by the applicable Election Filing Date. Such Deferral Commitment shall be effective as of the applicable Election Filing Date and shall continue to be effective from Deferral Period to Deferral Period until terminated by filing a new Participation Agreement with the Administrator, provided that such new Participation Agreement must be filed by the applicable Election Filing Date for the Plan Year for which it is to be effective. Once such a Deferral Commitment has been terminated, another Deferral Commitment may not be made. Such Deferred Shares are still subject to forfeiture pursuant to Section 6.5.

4. Deferral of Required Retainer Shares and Voluntary Shares. A Director may elect to defer and/or all or a specified percentage of his or her Required Retainer Shares and his or her Voluntary Shares earned for any Deferral Period by filing a Participation Agreement with the Administrator by the applicable Election Filing Date. Such Deferral Commitment shall be effective as of the applicable Election Filing Date and shall continue to be effective from Deferral Period to Deferral Period until terminated or modified by filing a new Participation Agreement with the Administrator, provided that such Participation Agreement must be filed by the applicable Election Filing Date for the Deferral Period for which it is to be effective.

5. Crediting of Deferred Shares. The (i) Director's Annual Equity Grant that is deferred pursuant to a Deferral Commitment shall be credited promptly following each Plan Year to the Director’s Deferred Share Annual Equity Subaccount and (ii) the portion of a Director’s Required Retainer Shares and/or Voluntary Shares that is deferred pursuant to a Deferral Commitment shall be credited promptly following each Plan Year to the Director's Deferred Share Other Equity Subaccount, in either case as of the date the corresponding non-deferred portion of his or her Annual Equity Grant, Required Retainer Shares, and Voluntary Shares would have been issued to the Director.

ARTICLE V. DEFERRED FEE ACCOUNT

1. Determination of Deferred Fee Account. On any particular date, a Director's Deferred Fee Account shall consist of the aggregate amount credited thereto pursuant to Section 4.2, plus any interest credited pursuant to Section 5.2, minus the aggregate amount of distributions, if any, made from such Deferred Fee Account.

2. Crediting of Interest. Each Deferred Fee Account to which Fees have been credited in dollar amounts shall be increased by the amount of interest earned since the immediately preceding Accounting Date. Interest shall be credited at the Declared Rate as of each Accounting Date based on the average daily balance of the Director's Deferred Fee Account since the immediately preceding Accounting Date, but after the Deferred Fee Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Interest for the period prior to the first Accounting Date applicable to a Deferred Fee Account shall be prorated.

3. Adjustments to Deferred Fee Accounts. Each Director's Deferred Fee Account shall be immediately debited with the amount of any distributions under the Plan to or on behalf of the Director or, in the event of his or her death, his or her Beneficiary.

4. Statements of Deferred Fee Accounts. As soon as practicable after the end of each Plan Year, a statement shall be furnished to each Director or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Deferred Fee Account as of the end of the Accounting Period, any changes in such Account since the end of the immediately preceding Accounting Period, and such other information as the Administrator shall determine.

5. Vesting of Deferred Fee Account. A Director shall be 100% vested in his or her Deferred Fee Account at all times.

ARTICLE VI. DEFERRED SHARE ACCOUNT

1. Determination of Deferred Share Account. On any particular date, a Director's Deferred Share Account shall be comprised of the Deferred Share Annual Equity Subaccount and the Deferred Share Other Equity Subaccount which shall consist of the aggregate number of Deferred Shares credited thereto pursuant to Section 4.5, plus any dividend equivalents credited pursuant to Section 6.2, minus the aggregate amount of distributions, if any, made from such Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount.

2. Crediting of Dividend Equivalents. Each Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount shall be credited as of the end of each Accounting Period with additional Deferred Shares equal in value to the amount of cash dividends paid by the Company during such Accounting Period on that number of Shares equivalent to the number of Deferred Shares in such Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount during such Accounting Period. The dividend equivalents shall be valued by dividing the dollar value of such dividend equivalents by the Fair Market Value on the Accounting Date next following the dividend payment date. Until a Director or his or her Beneficiary receives his or her entire Deferred Share Account, the unpaid balance thereof credited in Deferred Shares shall be credited with dividend equivalents as provided in this Section 6.2.

3. Adjustments to Deferred Share Accounts. Each Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount shall be immediately debited with the amount of any distributions under the Plan to or on behalf of the Director or, in the event of his or her death, his or her Beneficiary.

4. Statements of Deferred Share Accounts. As soon as practicable after the end of each Plan Year, a statement shall be furnished to each Director or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Deferred Share Account as of the end of the Accounting Period, any changes in such Account since the end of the immediately preceding Accounting Period, and such other information as the Administrator shall determine.

5. Vesting of Deferred Share Account. A Director shall be 100% vested in his or her Deferred Share Other Equity Subaccount at all times and in his or her Deferred Share Annual Equity Subaccount with respect to any Annual Equity Grant received when a Director was 69 years of age or older. A Director shall become 100% vested in his or her Deferred Share Annual Equity Account with respect to each Annual Equity Grant upon the occurrence of a Vesting Event described in Section 3.1(b) (excluding any such Annual Equity Grant made to a Director who was 69 or older on the date of grant of such Annual Equity Grant) and any unvested portion shall be forfeited upon Termination of Service.

ARTICLE VII. DISTRIBUTION OF BENEFITS

1. Settlement Date. A Director, or in the event of such Director's death, his or her Beneficiary, shall be entitled to all or a portion of the balance in such Director's Deferred Fee Account and Deferred Share Account, as provided in this Article VII, following such Director's Settlement Date or Dates.

2. Amount to be Distributed. The amount to which a Director, or in the event of such Director's death, his or her Beneficiary is entitled in accordance with the following provisions of this Article VII shall be based on the Director's adjusted balances in his or her Deferred Fee Account and Deferred Share Other Equity Subaccount and Deferred Share Annual Equity Subaccount determined as of the Accounting Date coincident with or next following his or her Settlement Date or Dates.

3. In-Service Distribution. A Director may irrevocably elect to receive a pre-termination distribution of all or any specified percentage of his or her vested Deferred Fees credited to his or her Deferred Fee Account or vested Deferred Shares credited to his or her Deferred Share Other Equity Subaccount or Deferred Share Annual Equity Subaccount commencing on a specified date in a Plan Year that begins at least three Plan Years after the date such Fees and Shares otherwise would have been payable pursuant to a Specified Date Payment Election. Such Specified Date Payment Election (i) shall be made in a Participation Agreement filed at the same time he or she files a Deferral Commitment covering such Deferred Fees or Deferred Shares as provided in Sections 4.1, 4.2 or Section 4.4 and (ii) shall contain the Director’s irrevocable election to receive such Deferred Fees or Deferred Shares under one of the forms provided in Section 7.4 or Section 7.5. Notwithstanding the foregoing, with respect to Deferred Shares in lieu of an Annual Equity Grant in the form of Restricted Shares for a Director under age 69 at the date of grant, the specified distribution date must be at least three years from the date of grant. In addition, if the Director has made a Specified Date Payment Election with respect to his or her Deferred Fee Account or Deferred Share Annual Equity Subaccount or Deferred Share Other Equity Subaccount pursuant to this Section 7.3 and the Director has made a Deferral Commitment for the Deferral Period immediately prior to the year specified in such Specified Date Payment Election, the time of commencement of distribution of amounts in his or her Deferred Fee Account, Deferred Share Annual Equity Subaccount, or Deferred Share Other Equity Subaccount for that and all future Deferral Periods shall be based on the specified date selected by the Director pursuant to new Specified Date Payment Election filed in connection with the Deferral Commitment for the first of such future Deferral Periods, and, if none, shall be based upon the earliest of the Settlement Dates described in Sections (hh)(i), (ii), and (iii) of Article I.

4. Time and Form of Distribution -- Deferred Fee Account . Thirty days after the end of the Accounting Period in which a Director's Settlement Date occurs, the Company shall distribute or cause to be distributed, to the Director the balance of the Director's Deferred Fee Account as determined under Section 7.2, under one of the forms provided in this Section 7.4. In the event of a Director's death, the balance of his or her Deferred Fee Account shall be distributed to his or her Beneficiary in a lump sum.

Distribution of a Director's Deferred Fee Account shall be made in one of the following forms as elected by the Director:

(a) by payment in cash in a single lump sum;

(b) by payment in cash in not greater than ten annual installments; or

(c) a combination of (a) and (b) above. The Director shall designate the percentage payable under each option.

The Director's election of the form of distribution of Deferred Fees shall be on a Participation Agreement filed with the Administrator at the same time the Director files a Deferral Commitment covering such Deferred Fees pursuant to Section 4.1 hereof.

The amount of cash to be distributed in each installment shall be equal to the quotient obtained by dividing the Director's Deferred Fee Account balance as of the date of such installment payment by the number of installment payments remaining to be made to or in respect of such Director at the time of calculation.

If a Director fails to make an election in a timely manner as provided in this Section 7.4, distribution shall be made in cash in a single lump sum.

Notwithstanding the foregoing provisions of this Section 7.4, if the Director is a Specified Employee at the time of his or her Termination of Service, payment on account of Termination of Service shall be made or commence on the first business day of the seventh month following such Termination of Service (or, if earlier, the date of death). In the event that the Specified Employee's Deferred Fee Account is payable in installments upon a Termination of Service, the total amount of installment payments to which such Specified Employee would otherwise be entitled during the period from the date of the Director's Termination of Service through the first day of the seventh month following the date of such Termination of Service shall also be paid on the first business day of the seventh month following such Termination of Service (or, if earlier, the date of death).

5. Time and Form of Distribution -- Deferred Share Account . Thirty days after the end of the Accounting Period in which a Director's Settlement Date occurs, the Company shall distribute or cause to be distributed, to the Director a number of Shares equal to the number of Deferred Shares in the Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount as determined under Section 7.2, under one of the forms provided in this Section 7.5. In the event of a Director's death, the number of Shares equal to the number of Deferred Shares in his or her Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount shall be distributed to his or her Beneficiary in a single distribution.

Distribution of a Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount shall be made in one of the following forms as elected by the Director:

(a) by payment in Shares or cash in a single distribution;

(b) by payment in Shares or cash in not greater than ten annual installments; or

(c) a combination of (a) and (b) above. The Director shall designate the percentage payable under each option.

The Director's election of the form of distribution of Deferred Shares shall be on a Participation Agreement filed with the Administrator at the same time the Director files a Deferral Commitment covering the Annual Equity Grant, Required Retainer Shares or Voluntary Shares comprising such Deferred Shares pursuant to Section 4.3 or 4.4 hereof.

The number of Shares to be distributed in each installment shall be equal to the quotient obtained by dividing the number of Deferred Shares in the Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount as of the date of such installment payment by the number of installment payments remaining to be made to or in respect of such Director at the time of calculation. Fractional Shares shall be rounded down to the nearest whole Share, and such fractional amount shall be re-credited as a fractional Deferred Share in the Director's Deferred Share Annual Equity Subaccount and/or Deferred Share Other Equity Subaccount.

If a Director elects payment in a single distribution in cash, the amount of the payout shall be equal to the Fair Market Value of the Deferred Shares in the Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount. on the Settlement Date. If such Director elects payout in installments in cash, an amount equal to the Fair Market Value of the Deferred Shares in the Director's Deferred Share Annual Equity Subaccount and Deferred Share Other Equity Subaccount on the Settlement Date shall be transferred to the Director's Deferred Fee Account pending distribution.

If a Director fails to make an election in a timely manner as provided in this Section 7.5, distribution of the Director's Deferred Share Annual Equity Subaccount and/or Deferred Share Other Equity Subaccount shall be made in Shares in a single distribution.

Notwithstanding the foregoing provisions of this Section 7.5, if the Director is a Specified Employee on the date of his or her Termination of Service, payment on account of Termination of Service shall be made or commence on the first business day of the seventh month following such Termination of Service (or, if earlier, the date of death).

In the event that the Specified Employee's Deferred Share Annual Equity Subaccount or Deferred Share Other Equity Subaccount is payable in installments upon a Termination of Service, the total amount of installment payments to which such Specified Employee would otherwise be entitled during the period from the date of the Director's Termination of Service through the first day of the seventh month following the date of such Termination of Service shall also be paid on the first business day of the seventh month following such Termination of Service (or, if earlier, the date of death).

6. Special Distributions. Notwithstanding any other provision of this Article VII, with respect to Deferred Fees or Deferred Shares that were earned and vested prior to January 1, 2005, a Director may elect to receive a distribution of part or all of his or her Deferred Fee Account and/or Deferred Share Account attributable to such Deferred Fees or Deferred Shares in one or more distributions if (and only if) the amount in the Director's Deferred Fee Account and/or the number of the Shares in the Director's Deferred Share Account subject to such distribution is reduced by 6%. The remaining 6% of the portion of the electing Director's Deferred Fee Account and/or Deferred Share Account subject to such distribution shall be forfeited. If a Director makes an election under this Section 7.6 during a Plan Year in which he or she is also making deferrals under the deferral portion of the Plan: (i) such election shall be effective as of the last day of the Plan Year in which it is submitted to the Administrator and any distribution made pursuant to such an election shall be made on such day and (ii) such Director shall terminate his or her participation in the deferral portion of the Plan for the two Plan Years following the Plan Year during which the Director's election is effective under this Section 7.6. If a Director makes an election under this Section 7.6 during a Plan Year in which he or she is not making any deferrals under the deferral portion of the Plan: (i) such election shall be effective when it is submitted to the Administrator and any distribution made pursuant to such an election shall be made within sixty days of the date such election is submitted to the Administrator and (ii) such Director shall not be eligible to participate in the deferral portion of the Plan for the two Plan Years following the Plan Year during which the Director's election is effective under this Section 7.6.

7. Beneficiary Designation. As used in the Plan the term "Beneficiary" means:

(a) The person last designated as Beneficiary by the Director in writing on a form prescribed by the Administrator;

(b) If there is no designated Beneficiary or if the person so designated shall not survive the Director, such Director's spouse; or

(c) If no such designated Beneficiary and no such spouse is living upon the death of a Director, or if all such persons die prior to the distribution of the Director's balance in his or her Deferred Fee Account and Deferred Share Account, then the legal representative of the last survivor of the Director and such persons, or, if the Administrator shall not receive notice of the appointment of any such legal representative within one year after such death, the heirs-at-law of such survivor shall be the Beneficiaries to whom the then remaining balance of such Accounts shall be distributed (in the proportions in which they would inherit his or her intestate personal property).

Any Beneficiary designation may be changed from time to time by the filing of a new form. No notice given under this Section 7.7 shall be effective unless and until the Administrator actually receives such notice.

8. Facility of Payment. Whenever and as often as any Director or his or her Beneficiary entitled to payments hereunder shall be under a legal disability or, in the sole judgment of the Administrator, shall otherwise be unable to apply such payments to his or her own best interests and advantage, the Administrator in the exercise of its discretion may direct all or any portion of such payments to be made in any one or more of the following ways: (i) directly to him or her; (ii) to his or her legal guardian or conservator; or (iii) to his or her spouse or to any other person, to be expended for his or her benefit; and the decision of the Administrator, shall in each case be final and binding upon all persons in interest.

9. Elections to Change Time and Form of Distribution . A Director may make an election to change the time of commencement of distribution(s) of his or her Deferred Fee Account or vested Deferred Shares Annual Equity Subaccount or Deferred Shares Other Equity Subaccount, the form of payment of such accounts, or both,

with respect to an amount previously deferred by the Director under a Deferral Commitment if all of the following requirements are met:

(a) Such election may not take effect until at least twelve months after the date on which the election is made;

(b) In the case of a election related to a payment other than a payment on account of death, Disability or occurrence of an Unforeseeable Emergency, the first payment under such election shall in all cases be deferred for a period of not less than five years from the date such payment would otherwise have been made (or, in the case of installment payments, which shall be treated as a single payment for purposes of this Section 7.9, five years from the date the first installment payment was scheduled to be paid); and

(c) Any subsequent election related to a distribution that is to be made at a specified date or pursuant to a fixed schedule pursuant to Sections 7.3 of the Plan must be made not less than twelve months prior to the date the payment was scheduled to be made under the prior election or deemed election (or, in the case of installment payments, which shall be treated as a single payment for purposes of this Section 7.9, twelve months prior to the date the first installment payment was scheduled to be paid).

10. Unforeseeable Emergency. Notwithstanding any other provision of this Article VII, in the event of an Unforeseeable Emergency and at the request of a Director, accelerated payment shall be made to the Director of all or a part of his or her (i) Deferred Fee Account or (ii) vested Deferred Share Account. Payments of amounts as a result of an Unforeseeable Emergency may not exceed the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution(s), after taking into account the extent to which the hardship is or may be relieved through reimbursement or compensation by insurance or otherwise by liquidation of the Director’s assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

ARTICLE VIII. ADMINISTRATION, AMENDMENT AND TERMINATION

1. Administration. The Plan shall be administered by the Administrator. The Administrator shall have such powers as may be necessary to discharge its duties hereunder. The Administrator may, from time to time, employ, appoint or delegate to an agent or agents (who may be an officer or officers of the Company) and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who may be counsel to the Company. The Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided under the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan. No member of the Administrator shall act in respect of his or her own Deferred Fee Account or his or her own Deferred Share Account. All decisions and determinations by the Administrator shall be final and binding on all parties. No member of the Administrator shall be liable for any such action taken or determination made in good faith. All decisions of the Administrator shall be made by the vote of the majority, including actions and writing taken without a meeting. All elections, notices and directions under the Plan by a Director shall be made on such forms as the Administrator shall prescribe.

2. Amendment and Termination. The Board may alter or amend this Plan from time to time or may terminate it in its entirety; PROVIDED, HOWEVER, that no such action shall, without the consent of a Director, affect the rights in any Shares issued or to be issued to such Director, in any Deferred Shares in a Director's Deferred Share Account or in any amounts in a Director's Deferred Fee Account, and further provided, that, without further approval by the shareholders of the Company no such action shall (a) increase the total number of Shares available for issuance under this Plan specified in Article X or (b) otherwise cause Rule 16b-3 to become inapplicable to this Plan.

ARTICLE IX. FINANCING OF BENEFITS

1. Financing of Benefits. The Shares and benefits payable in cash under the Plan to a Director or, in the event of his or her death, to his or her Beneficiary shall be paid by the Company from its general assets. The right to receive payment of the Shares and benefits payable in cash represents an unfunded, unsecured obligation of the Company. No person entitled to payment under the Plan shall have any claim, right, security

interest or other interest in any fund, trust, account, insurance contract, or asset of the Company which may be responsible for such payment.

2. Security for Benefits. Notwithstanding the provisions of Section 9.1, nothing in this Plan shall preclude the Company from setting aside Shares or funds in trust ("Trust") pursuant to one or more trust agreements between a trustee and the Company. However, no Director or Beneficiary shall have any secured interest or claim in any assets or property of the Company or the Trust and all Shares or funds contained in the Trust shall remain subject to the claims of the Company's general creditors. Notwithstanding the foregoing, in no event shall any amount of Shares be transferred to Trust if, pursuant to Section 409A(b)(3)(A) of the Code, such amount would, for purposes of Section 83 of the Code, be treated as property transferred in connection with the performance of services.

ARTICLE X. SHARES SUBJECT TO PLAN

1. Shares Subject to Plan. Subject to adjustment as provided in this Plan, the total number of Shares which may be issued under this Plan shall be 800,000 (400,000 of which were approved in 1996 and 400,000 of which were added as of May 8, 2001, in each case after giving effect to interim stock splits).

2. Adjustments. In the event of any change in the outstanding Shares by reason of (a) any stock dividend, stock split, combination of shares, recapitalization or any other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing, the number and kind of shares specified in Article III, the number or kind of Shares that may be issued under the Plan as specified in Article X and the number of Deferred Shares in a Director's Deferred Share Account shall automatically be adjusted so that the proportionate interest of the Directors shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes with respect to the Plan.

ARTICLE XI. PRIOR PLANS

1. 1992 Incentive Equity Plan. No further options shall be issued to the Directors under Section 8 of the Company's 1992 Incentive Equity Plan on or after July 1, 1996.

2. Plan for Deferred Payment of Director's Fees. Effective May 14, 1996, the Prior Plan was discontinued, except that amounts remaining payable to former Directors in the Prior Plan were paid in accordance with its terms.

ARTICLE XII. GENERAL PROVISIONS

1. Interests Not Transferable; Restrictions on Shares and Rights to Shares. No rights to Shares or other benefits payable in cash shall be assigned, pledged, hypothecated or otherwise transferred by a Director or any other person, voluntarily or involuntarily, other than (i) by will or the laws of descent and distribution, or (ii) to the extent permitted by Section 409A, the payment of part or all of an interest under this Plan may be made to an individual other than the Director to the extent necessary to fulfill a “domestic relations order” as defined in Section 414(p)(1)(B) of the Code. No person shall have any right to commute, encumber, pledge or dispose of any other interest herein or right to receive payments hereunder, nor shall such interests or payments be subject to seizure, attachment or garnishment for the payments of any debts, judgments, alimony or separate maintenance obligations or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise, all payments and rights hereunder being expressly declared to be nonassignable and nontransferable.

2. Governing Law. The provisions of this Plan shall be governed by and construed in accordance with the laws of the State of Ohio.

3. Withholding Taxes. To the extent that the Company is required to withhold Federal, state or local taxes in connection with any component of a Director's compensation in cash or Shares, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of any Shares that the

Director make arrangements satisfactory to the Company for the payment of the balance of such taxes required to be withheld, which arrangement may include relinquishment of the Shares.

4. Application of Section 409A of the Code.

(a) Notwithstanding any other provision of the Plan, any Deferred Fees or Deferred Shares (and earnings thereon) that qualify for "grandfathered status" under Section 409A of the Code because they were earned and vested prior to January 1, 2005 shall continue to be governed by the law applicable to nonqualified deferred compensation prior to the addition of Section 409A of the Code and shall be subject to the terms and conditions specified in the Plan as in effect immediately prior to such date and shall not be modified by this amendment and restatement of the Plan (other than Section 7.6 hereof).

(b) To the extent applicable, it is intended that this Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Director. The Plan shall be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Notwithstanding any provision of the Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code.

(c) Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Director or for a Director's benefit under this Plan may not be reduced by, or offset against, any amount owing by a Director to the Company or any of its affiliates.

5. Miscellaneous. Headings are given to the sections of this Plan solely as a convenience to facilitate reference. Such headings, numbering and paragraphing shall not in any case be deemed in any way material or relevant to the construction of this Plan or any provisions thereof. The use of the singular shall also include within its meaning the plural, and vice versa.

EXHIBIT 10.54

Execution Copy

SEVERANCE AGREEMENT AND RELEASE

THIS Severance Agreement and Release ("Agreement") is made between Gary B. Halverson (the "Executive") and Cliffs Natural Resources Inc., an Ohio corporation (the "Company"), as of the date set forth below. The Executive and Company may be referred to as the "Parties".

WHEREAS, the Company and the Executive are parties to a Change in Control Severance Agreement, which was executed on October 23, 2013 and which became effective on November 18, 2013 (the "CIC Agreement");

WHEREAS, on August 6, 2014, the Company incurred a " Change in Control" as defined in the CIC Agreement;

WHEREAS, on August 7, 2014, the Board of Directors of the Company terminated the employment of the Executive without " Cause" (as defined in the CIC Agreement) in connection with the Change in Control;

WHEREAS, as a result of such termination of employment, the Executive has become entitled to certain benefits and payments under the CIC Agreement;

WHEREAS, under the CIC Agreement, the Executive is required to sign a release in order to receive the Severance Compensation (as defined under the CIC Agreement and outlined below) and to receive other benefits or payments as provided under the CIC Agreement; and

WHEREAS, the Parties wish to clarify, interpret, and specify the rights of and payments to the Executive in this Agreement, to embody the release required of the Executive in order to trigger the payments and benefits to be provided under the CIC Agreement to the Executive, and to confirm the continued effectiveness of certain prior agreements between the Parties.

NOW THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

This Agreement is effective on the date hereof and will continue in effect as provided herein. Capitalized terms that are not defined herein shall have the meanings ascribed to them in the CIC Agreement.

1. **SEVERANCE PAYMENT**.

Pursuant to the payment terms and structure within Annex A-1 of the CIC Agreement, the Company shall make the following payments to or for the benefit of the Executive:

(a) An aggregate cash payment in the amount of $7,840,949, less appropriate withholdings. The Company shall pay such amount, net of withholdings, to KeyBank, N.A., as trustee (the "Trustee"), under the Trust Agreement No. 1, amended and restated effective June 1, 1997 and as subsequently amended to date (the "Trust"), by and between the Company and the Trustee. Such payment shall be made to the Trustee in immediately available funds on the first business day after the date hereof, together with notice to the Trustee that such funds are to be held for the benefit of the Executive as a beneficiary under the Trust and paid to the Executive pursuant to the CIC Agreement and this Agreement, in a single lump sum, on the first business day after the end of the seven-day period referred to in Section 3(f) hereof. This cash payment, before withholdings, is comprised of the sum of:

- 3 years of 2014 Base Pay ($950,000 times 3 = $2,850,000);
- 3 years of Incentive Pay at Target for 2014 ($1,330,000 times 3 = $3,990,000);
- Pro-rated portion of 2014 Incentive Pay at Target for 2014: 219/365 times $1,330,000 = $798,000);
- Accrued but unused 2014 vacation ($30,449);
- Outplacement service (15 % of base pay = $142,500); and
- Financial planning perquisites ($30,000).

(b) An equity payout of $3,596,590.50, less applicable withholdings, reflective of vested grants and/or awards under the 2012 Incentive Equity Plan, as amended, to be paid within the first three days of the seventh month after the Executive's Separation from Service.

(c) A lump sum payment of $579,478.80, less applicable withholdings, representing the sum of the present values of the Executive's full accrued benefit under the Cliffs Defined Benefit Pension Plan, the Accrued SRP Payment, and the Non-accrued SRP Payment. Such payment, net of withholdings, shall be made to the Trustee in immediately available funds on the first business day after the date hereof, together with notice to the Trustee that such funds are to be held for the benefit of the Executive as a beneficiary under the Trust and paid to the Executive pursuant to the SRP, in a single lump sum, within the first three days of the seventh month after the Executive's Separation from Service.

2. **OTHER BENEFITS OR PAYMENTS**.

Health & Welfare Benefits. Pursuant to the provisions of paragraphs (1) through (3) of Annex A to the CIC Agreement, for the duration of the Continuation Period, the Company shall continue to cover the Executive under all of the health and welfare plans in which the Executive was participating on August 7, 2014, all at Company expense. For the sake of clarity, these plans shall include (but are not necessarily limited to) coverages for medical, prescription drug, dental, vision, disability, life insurance, accident insurance, accidental death and dismemberment, and long term care. If and to the extent that any benefit provided herein later cannot be paid or provided under a policy, plan, program or arrangement of the Company, then the Company itself will pay or provide for the payment to the Executive, his dependents and beneficiaries, of such Employee Benefits.

3. **RELEASE (the "Release")**.

In consideration of the payments to be made and the benefits to be received by the Executive pursuant to this Agreement, and the CIC Agreement, which the Executive acknowledges are in addition to payments and benefits which the Executive would be entitled to receive absent this Agreement and the CIC Agreement (other than severance pay and benefits under any other severance plan, policy, program or arrangement sponsored by Cliffs Natural Resources Inc.), the Executive, for himself and his dependents, successors, assigns, heirs, executors and administrators (and his and their legal representatives of every kind), hereby releases, dismisses, remises and forever discharges Cliffs Natural Resources Inc., its predecessors, parents, subsidiaries, divisions, related or affiliated companies, officers, directors, stockholders, members, executives, heirs, successors, assigns, representatives, agents and counsel (the "Released Parties") from any and all arbitrations, claims, including claims for attorney's fees (other than as provided in the CIC Agreement), demands, damages, suits, proceedings, actions and/or causes of action of any kind and every description, whether known or unknown, which the Executive now has or may have had for, upon, or by reason of any cause whatsoever (“claims”), against the Released Parties, including but not limited to:

(a) any and all claims arising out of or relating to the Executive’s employment by or service with the Company and his termination from the Company other than any claims arising under this Agreement, the CIC Agreement, or under any executive benefit programs or executive compensation programs not specifically addressed in this Agreement or the CIC Agreement;

(b) any and all claims of discrimination, including but not limited to claims of discrimination on the basis of sex, race, age, national origin, marital status, religion or handicap, including, specifically, but without limiting the generality of the foregoing, any claims under the Age Discrimination in Employment Act, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, Ohio Revised Code Section 4101.17 and Ohio Revised Code Chapter 4112, including Sections 4112.02 and 4112.99 thereof; and

(c) any and all claims of wrongful or unjust discharge or breach of any contract or promise, express or implied.

The Executive hereby gives up any and all rights or claims to be a class representative or otherwise participate in any class action on behalf of any employee benefit plan of the Company or any Subsidiary.

The Executive understands and acknowledges that the Company does not admit any violation of law, liability or invasion of any of his rights and that any such violation, liability or invasion is expressly denied. The consideration provided for this Release is made for the purpose of settling and extinguishing all claims and rights (and every other similar or dissimilar matter) that the Executive ever had or now may have against the Company to the extent provided in this Release. The Executive further agrees and acknowledges that no representations, promises or inducements have been made by the Company other than as appear in the Agreement.

The Executive further agrees and acknowledges that:

The release provided for herein releases claims to and including the date of this Release;

(d) He has been advised by the Company to consult with legal counsel prior to executing this Release, has had an opportunity to consult with and to be advised by legal counsel of his choice, fully understands the terms of this Release, and enters into this Release freely, voluntarily and intending to be bound;

(e) He has been given a period of 21 days, commencing on the day after his Separation from Service, to review and consider the terms of this Release, prior to its execution and that he may use as much of the 21 day period as he desires; and

(f) He may, within seven days after execution, revoke this Release. Revocation shall be made by delivering a written notice of revocation to the Executive Vice President, Human Resources at the Company. For such revocation to be effective, written notice must be actually received by the Executive Vice President, Human Resources at the Company no later than the close of business on the seventh day after the Executive executes this Release. If Executive does exercise his right to revoke this Release, all of the terms and conditions of the Release shall be of no force and effect and the Company shall not have any obligation to make payments or provide benefits to the Executive otherwise required as a result of the Agreement.

The Executive agrees that he will never file a lawsuit or other complaint asserting any claim that is released in this Release.

The Executive waives and releases any claim that he has or may have to reemployment after August 7, 2014.

4. **OTHER PROVISIONS**.

(a) Effect of Executive's Death. Should the Executive die before receipt of all payments under this Agreement, the unpaid amounts shall be payable to the Executive's estate or otherwise inure to the benefit of his heirs. If the Executive dies before the end of the Continuation Period, the Employee Benefits shall continue to be made available or paid to the Executive's surviving spouse and dependents for the duration of the Continuation Period.

(b) Non-Disparagement. The Executive shall not make any negative statements orally or in writing about the Executive's employment with the Company, about the Company or its affiliates or any of its executives or products, to anyone other than to the EEOC or any similar state agency, Executive's immediate family, and the Executive's legal representatives or financial advisors. Nothing herein shall prevent the Executive from testifying truthfully in a legal proceeding or governmental administrative proceeding. The Executive may indicate on employment applications and during interviews that the Executive was employed by the Company, the Executive's duties, length of employment, and compensation. The Company shall not make any negative statements orally or in writing about the Executive's employment with the Company to anyone other than to the EEOC or any similar state agency and the Company's legal representatives and the Company has instructed its senior executives not to make such statements. Nothing herein shall prevent the Company from testifying truthfully in a legal proceeding or governmental administrative proceeding.

(c) Severability. In the event that one or more provisions of this Agreement is found to be unenforceable for any reason whatsoever, the unenforceable provision or provisions shall be considered to be severable, and the remainder of this Agreement shall continue in full force and effect.

(d) Binding Effect. This Agreement shall be binding upon and operate to the benefit of the Executive and Released Parties, and their successors and assigns.

(e) Waiver. No waiver of any of the terms of this Agreement shall constitute a waiver of any other terms, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The Company or the Executive may waive any provision of this Agreement intended for such Party's benefit, but such waiver shall in no way excuse the other Party from the performance of any of such Party's other obligations under this Agreement.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to the principles of conflicts of law, except to the extent those laws are preempted by federal law.

(g) Subsequent Modifications. The terms of this Agreement may be altered or amended, in whole or in part, only upon the signed written agreement of the Parties.

(h) Effect on Other Agreements; Indemnification. Notwithstanding the Release by the Executive contained in this Agreement, or anything else to the contrary, the rights and duties of the Parties under the CIC Agreement shall continue and be of full force and effect in accordance with its terms. The Company agrees to indemnify the Executive for actions occurring prior to the Termination Date and in connection with the execution, delivery and performance of this Agreement to the same extent as if he were a party to an indemnification agreement with the Company in the form of the indemnification agreement to which the Company is a party with members of its board of directors. Following the Termination Date, Employee shall continue to be covered by any provision for indemnification by the Company in effect on the date of the execution of this Agreement for so long and to the same extent that the Company provides the same or more favorable indemnification to the members of the Company's board of directors or its active senior executives, whichever is more favorable. In addition, the Company shall continue to maintain D&O coverage that covers the Executive to the same extent that it covers the members of the Company's board of directors or its active senior executives, whichever is more favorable. Finally, in the event of a transaction resulting in a Change in Control of the Company subsequent to the date hereof in which the Company is not the surviving entity, the Company shall use its reasonable best efforts to require as part of such transaction that the surviving company provide indemnification and D&O coverage that covers the Executive to the extent described in this paragraph, provided that the Company shall, in any event, use its reasonable best efforts to require that the surviving company provide the Executive with the same indemnification rights and D&O coverage as are provided to the senior executives who remain with the Company following the Change in Control and to the then current and former members of its board of directors, whichever is more favorable.

5. [signature page follows]

IN WITNESS WHEREOF, the Executive and the Company have executed and delivered this Agreement and Release on the date set forth below.

EXECUTIVE:

Dated: August 22, 2014

/s/ Gary B. Halverson

COMPANY:

CLIFFS NATURAL RESOURCES INC.

Dated: August 22, 2014

By: /s/ James D. Graham

Its: Vice President, Chief Legal Officer & Secretary

EXHIBIT 10.64

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

RESTRICTED SHARE UNIT AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Vesting Date:	**50% of the Restricted Share Units covered by this Memorandum and the Award Agreement shall become Vested on each of February 10, 2015 ("First Vesting Date") and February 10, 2016 ("Second Vesting Date").**

Additional terms and conditions of your Award are included in the Restricted Share Unit Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Restricted Share Unit Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Restricted Share Unit Award Agreement

This Restricted Share Unit Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Restricted Share Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to Participant Restricted Share Units representing the opportunity to earn a number of the Company's common shares, $.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1
Grant and Terms of Restricted Share Units

1.1 Grant of Restricted Share Units. Pursuant to the Plan, the Company has granted to Participant the number of Restricted Share Units as specified in the Award Memorandum, with dividend equivalents ("Restricted Share Units"), effective as of the Date of Grant.

1.2 Vesting As Condition of Payment. The Restricted Share Units covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion) equal in number to the Restricted Share Units to the extent the Participant is "Vested" in the Restricted Share Units on the date the Restricted Share Units are to be paid as specified in Section 1.3. The Restricted Share Units will become Vested as follows:

(a) Employment Through Vesting Period. The Participant will become Vested in 50% of the Restricted Share Units subject to this Award on each of the First Vesting Date and Second Vesting Date if the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on the Date of Grant and ending on each of the First Vesting Date and Second Vesting Date, respectively, as set forth in the Award Memorandum ("Vesting Period").

(b) Death or Disability. The Participant will become 100% Vested in all the Restricted Share Units subject to this Award that were not previously Vested if the Participant experiences a termination of employment with the Company because of the Participant's death or Disability during the Vesting Period.

(c) Change in Control. In the event of a Change in Control (as defined in Section 1.4) during the Vesting Period or otherwise occurring during 2014, the Participant will become Vested in the Restricted Share Units only to the extent provided in Section 1.4.

In the event the Participant otherwise terminates employment (including, but not limited to, by reason of retirement, resignation, or by the Company for or other than for Cause) prior to becoming Vested in the

Restricted Share Units, the Participant shall forfeit all rights to any Restricted Share Units that were granted under the Agreement and not Vested on the date of such termination of employment.

1.3 Payment of Restricted Share Units.

(a) Payment After the Vesting Period. The Restricted Share Units that become Vested shall be paid within 10 days of the date they become Vested pursuant to Section 1.2.

(b) General. The Committee, in its sole discretion, may settle the Restricted Share Units in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Restricted Share Units shall be paid in cash, the cash equivalent of one Restricted Share Unit shall be equal to the Fair Market Value of one Share on the date such Restricted Share Unit became Vested or, if such date is not a trading date, on the first trading day immediately preceding the date on which such Restricted Share Unit became Vested. Notwithstanding the foregoing, no Restricted Share Units granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines ("Share Ownership Guidelines") unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 4.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Restricted Share Units, before income tax withholding, so that they cannot be sold by Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(c) Payment After Death. Any payment of Restricted Share Units to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(d) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Restricted Share Units to the Participant. The Restricted Share Units covered by this Agreement that have not yet been earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 1.3(c).

1.4 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on July 28, 2014 and ending on the date of a Change in Control, the Participant will, upon the Change in Control, become 100% Vested in all the Restricted Share Units subject to the Award that had not become Vested prior to the Change in Control, except to the extent that an award meeting the requirements of Section 1.4(e) (a "Replacement Award") is provided to the Participant in accordance with Section 1.4(e) to replace, adjust or continue the award of Restricted Share Units covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Restricted Share Units in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating Participant's employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination to the extent not previously Vested. Such Vested Replacement Award will be paid in accordance with Section 1.3 within 10 days of becoming Vested.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Share Units that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in Section 1.3(a).

(d) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.4(d)(iii)(A), 1.4(d)(iii)(B) and 1.4(d)(iii)(C), below;

(ii) individuals who, as of July 28, 2014, constitute the Board of Directors (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 28, 2014 whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based restricted share units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 1.4(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 1.4 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through

(v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.
Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(d) A Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(e) Failure to comply with subsection (a) above will cause a Participant to forfeit the right to Restricted Share Units and require the Participant to reimburse the Company for the taxable income received on Restricted Share Units that have been paid out in Shares within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.
Acknowledgements

3.1 Acknowledgments. In accepting the Award, Participant acknowledges, understands and agrees to the following:

(e) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(f) The grant of the Restricted Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

(g) All decisions with respect to future Restricted Share Units or other grants, if any, will be at the sole discretion of the Company;

(h) The Participant's participation in the Plan is voluntary;

(i) The Restricted Share Unit Award and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(j) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(k) No claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Share Units resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of the Restricted Share Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(l) Neither the Plan nor the Restricted Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(m) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Restricted Share Units;

(n) The Restricted Share Units and the Shares subject to the Restricted Share Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(o) The Company reserves the right to impose other requirements on participation in the Restricted Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.
General Provisions

4.1 **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 **Dividend Equivalents**. During the period beginning on the Date of Grant and ending on the date that the Restricted Share Units are paid in accordance with Section 1.3, the Participant will be entitled to dividend equivalents on Restricted Share Units equal to the cash dividend or distribution that would have been paid on the Restricted Share Units had the Restricted Share Units been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Share Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 **Withholding Taxes**. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan in connection with the Participant's Restricted Share Units (or dividend equivalents, if any), unless as otherwise specified in the Appendix to this Agreement, including, without limitation, any tax liability associated with the grant or vesting of the Restricted Share Units or sale of the underlying Shares (the "Tax Liability"). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant's sole responsibility and liability. The Participant acknowledges that the Company's obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Restricted Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant's wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.5 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.6 These Terms and Conditions Subject to Plan . The Restricted Share Units covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.7 Transferability. Except as otherwise provided in the Plan, the Restricted Share Units are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Restricted Share Units shall be null and void.

4.8 Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Restricted Share Unit award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company or Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Restricted Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

4.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Units by electronic means. By accepting this Award of Restricted Share Units, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.12 **Appendix to Agreement**. Notwithstanding any provisions of this Agreement to the contrary, the Restricted Share Units shall be subject to such special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in the appendix to this Agreement (the "Appendix"). Further, if the Participant transfers residency and/or employment to another country, any special terms and conditions for such country will apply to the Restricted Share Units to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Restricted Share Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate a transfer). In all circumstances, the Appendix shall constitute part of this Agreement.

4.13 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.14 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.15 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A
ELECTRONIC ACCEPTANCE

Acceptance by Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

APPENDIX FOR NON-U.S. PARTICIPANTS
ADDITIONAL TERMS AND CONDITIONS TO AGREEMENT

This Appendix includes the following additional terms and conditions that govern the Participant's Restricted Share Unit Award for all Participants that reside and/or work outside of the United States.

Notifications

This Appendix also includes notifications regarding exchange controls and other regulatory issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information herein is based on the securities, exchange control and other laws in effect in the respective countries as of January 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Restricted Share Units vest, or the Shares are delivered or cash paid in settlement of the Restricted Share Units, or the Participant sells any Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company or its Subsidiaries, nor the Company's stock plan administrator ("Administrator") is in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country of residence and/or work may apply to the Participant's situation.

Finally, if the Participant transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes following the Date of Grant, the notifications contained herein may not be applicable to the Participant, and the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Terms and Conditions Applicable to All Non-U.S. Jurisdictions

English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, rules, procedures, forms, notices and legal proceedings entered into, given or instituted pursuant to the Restricted Share Unit, be drawn up in English. If the Participant has received this Agreement, the Plan or any other Agreement rules, procedures, forms or documents related to the Restricted Share Unit award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise provided herein.

Compliance with Laws; Repatriation. The Participant agrees, as a condition of the grant of the Restricted Share Unit award, to repatriate all payments attributable to the Restricted Share Unit and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents (if any), and any proceeds derived from the sale of the Shares acquired pursuant to the Agreement) in accordance with all foreign exchange rules and regulations applicable to the Participant. The Company, Subsidiaries and the Administrator reserve the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Share Units and on any Shares acquired or cash payments made pursuant to the Agreement, to the extent the Company or its Subsidiaries or the Administrator determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

Private Placement. The grant of the Restricted Share Units is not intended to be a public offering of securities in the Participant's country of residence and/or employment but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Share Units is not subject to the supervision of the local securities authorities.

Responsibility for Taxes & Withholding . Regardless of any action the Company or any of its Subsidiaries takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries. The Participant further acknowledges that the Company and/or its Subsidiaries (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Restricted Share Units, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares or cash upon settlement of the Restricted Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents (if any); and (2) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or its Subsidiaries, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) Withholding in Shares to be issued or cash to be paid upon vesting/settlement of the Restricted Share Units; or

(b) Withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries; or

(c) Withholding from proceeds of the Shares acquired upon vesting/settlement of the Restricted Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company and/or its Subsidiaries may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Restricted Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

Finally, the Participant shall pay to the Company and/or its Subsidiaries any amount of Tax-Related Items that the Company and/or its Subsidiaries may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

Terms and Conditions Applicable to Australia

Securities Law Notice. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Terms and Conditions Applicable to Canada

Use of English Language. The parties acknowledge that it is their express wish that the present Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Resale Restriction. The Participant is permitted to sell the Shares acquired upon vesting through the designated broker appointed under the Plan, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

Termination Date. The Participant ceases to be employed with the Company or its Subsidiaries on the later of (i) the date that is the last day of any statutory notice of termination period applicable to the Participant pursuant to applicable employment standards legislation, and (ii) the date that is designated by the Company or any Subsidiary as the last day of the Participant's employment with the Company or any Subsidiary. The date that the Participant ceases to be employed by the Company or Subsidiary specifically does not mean the date on which any period of reasonable notice that the Company or any Subsidiary may be required at law to provide to the Participant expires.

Restricted Share Units Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of Restricted Share Units does not provide any right for the Participant to receive a cash payment, and the Restricted Share Units (and dividend equivalents) are payable in Shares only.

Terms and Conditions Applicable to Chile

Private Placement. In accordance with Circular 99 of 2001, from Chile's Superintendence of Securities, the grant of the Restricted Share Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities, and the Plan is not subject to the supervision of the local securities authorities.

Terms and Conditions Applicable to China

Settlement in Cash. Notwithstanding any provision in the Agreement or Plan to the contrary, Restricted Share Units will be settled in the form of a local cash payment unless, at the time of delivery, Share settlement does not trigger the need for any approval from and/or filing with SAFE.

Terms and Conditions Applicable to Japan

No country specific terms and conditions for Japan.

EXHIBIT 10.65

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

RESTRICTED SHARE UNIT AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Vesting Date:	**December 31, 2016**

Additional terms and conditions of your Award are included in the Restricted Share Unit Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Restricted Share Unit Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Restricted Share Unit Award Agreement

This Restricted Share Unit Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Restricted Share Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to Participant Restricted Share Units representing the opportunity to earn a number of the Company's common shares, $.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

Grant and Terms of Restricted Share Units

1.1 Grant of Restricted Share Units. Pursuant to the Plan, the Company has granted to Participant the number of Restricted Share Units as specified in the Award Memorandum, with dividend equivalents ("Restricted Share Units"), effective as of the Date of Grant.

1.2 Vesting As Condition of Payment. The Restricted Share Units covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion) equal in number to the Restricted Share Units to the extent the Participant is "Vested" in the Restricted Share Units on the date the Restricted Share Units are to be paid as specified in Section 1.3. The Restricted Share Units will become Vested as follows:

(a) Employment Through Vesting Period. The Participant will become 100% Vested in all the Restricted Share Units subject to this Award if the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on the Date of Grant and ending on the Vesting Date, as set forth in the Award Memorandum ("Vesting Period").

(b) Death or Disability. The Participant will become 100% Vested in all the Restricted Share Units subject to this Award if the Participant experiences a termination of employment with the Company because of the Participant's death or Disability during the Vesting Period.

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of Retirement or a termination of employment by the Company without Cause during the Vesting Period, the Participant shall become Vested in a prorated number of Restricted Share Units Shares based upon the number of full months the Participant was employed with the Company or a Subsidiary between January 1, 2014 and the date of the Participant's termination of employment compared to the number of full months from January 1, 2014 to December 31, 2016, rounded down to the nearest whole Restricted Share Unit.

(d) Change in Control. In the event of a Change in Control (as defined in Section 1.4) during the Vesting Period or otherwise occurring during 2014, the Participant will become Vested in the Restricted Share Units only to the extent provided in Section 1.4.

In the event the Participant otherwise terminates employment prior to becoming Vested in the Restricted Share Units or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Restricted Share Units that were granted under the Agreement.

1.3 Payment of Restricted Share Units.

(a) Payment After the Vesting Period. The Restricted Share Units that are Vested as of the Vesting Date shall be paid after the end of the Vesting Period, but in any event no later than 2-½ months after the end of the Vesting Period to the extent they have not been previously paid to the Participant.

(b) Change in Control. Notwithstanding Section 1.3(a), to the extent any Restricted Share Units are Vested as of a Change in Control, such Vested Restricted Share Units will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3.

(c) Payment Following a Change in Control. Notwithstanding Section 1.3(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Restricted Share Units that are Vested as of the date of such termination of employment shall be paid within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the Restricted Share Units will be made on the first day of the seventh month after the date of Participant's termination of employment or, if earlier, the date of the Participant's death.

(d) General. The Committee, in its sole discretion, may settle the Restricted Share Units in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Restricted Share Units shall be paid in cash, the cash equivalent of one Restricted Share Unit shall be equal to the Fair Market Value of one Share on the last trading day of the Vesting Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Restricted Share Units granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines ("Share Ownership Guidelines") unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 4.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Restricted Share Units, before income tax withholding, so that they cannot be sold by Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(e) Payment After Death. Any payment of Restricted Share Units to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(f) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Restricted Share Units to the Participant. The Restricted Share Units covered by this Agreement that have not yet been earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 1.3(e).

1.4 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on July 28, 2014 and ending on the date of a Change in Control, the Participant will become 100% Vested in all the Restricted Share Units subject to the Award upon the Change in Control, except to the extent that an award meeting the requirements of Section 1.4(e) (a "Replacement Award") is provided to the Participant in accordance with Section 1.4(e) to replace, adjust or continue the award of Restricted Share Units covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Restricted Share Units in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating Participant's employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Share Units that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in Section 1.3(b).

(d) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.4(d)(iii)(A), 1.4(d)(iii)(B) and 1.4(d)(iii)(C), below;

(ii) individuals who, as of July 28, 2014, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 28, 2014 whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based restricted share units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 1.4(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 1.4 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time ("Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.
Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(a) A Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause a Participant to forfeit the right to Restricted Share Units and require the Participant to reimburse the Company for the taxable income received on Restricted Share Units that have been paid out in Shares within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.
Acknowledgements

3.1 Acknowledgments. In accepting the Award, Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Restricted Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

(c) All decisions with respect to future Restricted Share Units or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Restricted Share Unit Award and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Share Units resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of the Restricted Share Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Restricted Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Restricted Share Units;

(j) The Restricted Share Units and the Shares subject to the Restricted ShareUnits, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(k) The Company reserves the right to impose other requirements on participation in the Restricted Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.
General Provisions

4.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that the Restricted Share Units are paid in accordance with Section 1.3, the Participant will be entitled to dividend equivalents on Restricted Share Units equal to the cash dividend or distribution that would have been paid on the Restricted Share Units had the Restricted Share Units been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Share Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan in connection with the Participant’s Restricted Share Units (or dividend equivalents, if any), unless as otherwise specified in the Appendix to this Agreement, including, without limitation, any tax liability associated with the grant or vesting of the Restricted Share Units or sale of the underlying Shares (the “Tax Liability”). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant’s sole responsibility and liability. The Participant acknowledges that the Company’s obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Restricted Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company’s tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant’s wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.5 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.6 These Terms and Conditions Subject to Plan. The Restricted Share Units covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.7 Transferability. Except as otherwise provided in the Plan, the Restricted Share Units are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Restricted Share Units shall be null and void.

4.8 Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Restricted Share Unit award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company or Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Restricted Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

4.9 Amendments. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Units by electronic means. By accepting this Award of Restricted Share Units, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.12 **Appendix to Agreement**. Notwithstanding any provisions of this Agreement to the contrary, the Restricted Share Units shall be subject to such special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in the appendix to this Agreement (the "Appendix"). Further, if the Participant transfers residency and/or employment to another country, any special terms and conditions for such country will apply to the Restricted Share Units to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Restricted Share Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate a transfer). In all circumstances, the Appendix shall constitute part of this Agreement.

4.13 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.14 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.15 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A
ELECTRONIC ACCEPTANCE

Acceptance by Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

APPENDIX FOR NON-U.S. PARTICIPANTS
ADDITIONAL TERMS AND CONDITIONS TO AGREEMENT

This Appendix includes the following additional terms and conditions that govern the Participant's Restricted Share Unit Award for all Participants that reside and/or work outside of the United States.

Notifications

This Appendix also includes notifications regarding exchange controls and other regulatory issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information herein is based on the securities, exchange control and other laws in effect in the respective countries as of January 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Restricted Share Units vest, or the Shares are delivered or cash paid in settlement of the Restricted Share Units, or the Participant sells any Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company or its Subsidiaries, nor the Company's stock plan administrator ("Administrator") is in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country of residence and/or work may apply to the Participant's situation.

Finally, if the Participant transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes following the Date of Grant, the notifications contained herein may not be applicable to the Participant, and the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Terms and Conditions Applicable to All Non-U.S. Jurisdictions

English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, rules, procedures, forms, notices and legal proceedings entered into, given or instituted pursuant to the Restricted Share Unit, be drawn up in English. If the Participant has received this Agreement, the Plan or any other Agreement rules, procedures, forms or documents related to the Restricted Share Unit award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise provided herein.

Compliance with Laws; Repatriation. The Participant agrees, as a condition of the grant of the Restricted Share Unit award, to repatriate all payments attributable to the Restricted Share Unit and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents (if any), and any proceeds derived from the sale of the Shares acquired pursuant to the Agreement) in accordance with all foreign exchange rules and regulations applicable to the Participant. The Company, Subsidiaries and the Administrator reserve the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Share Units and on any Shares acquired or cash payments made pursuant to the Agreement, to the extent the Company or its Subsidiaries or the Administrator determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

Private Placement. The grant of the Restricted Share Units is not intended to be a public offering of securities in the Participant's country of residence and/or employment but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Share Units is not subject to the supervision of the local securities authorities.

Responsibility for Taxes & Withholding . Regardless of any action the Company or any of its Subsidiaries takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries. The Participant further acknowledges that the Company and/or its Subsidiaries (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Restricted Share Units, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares or cash upon settlement of the Restricted Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents (if any); and (2) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or its Subsidiaries, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) Withholding in Shares to be issued or cash to be paid upon vesting/settlement of the Restricted Share Units; or

(b) Withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries; or

(c) Withholding from proceeds of the Shares acquired upon vesting/settlement of the Restricted Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company and/or its Subsidiaries may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Restricted Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

Finally, the Participant shall pay to the Company and/or its Subsidiaries any amount of Tax-Related Items that the Company and/or its Subsidiaries may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

Terms and Conditions Applicable to Australia

Securities Law Notice. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Terms and Conditions Applicable to Canada

Use of English Language. The parties acknowledge that it is their express wish that the present Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Resale Restriction. The Participant is permitted to sell the Shares acquired upon vesting through the designated broker appointed under the Plan, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

Termination Date. The Participant ceases to be employed with the Company or its Subsidiaries on the later of (i) the date that is the last day of any statutory notice of termination period applicable to the Participant pursuant to applicable employment standards legislation, and (ii) the date that is designated by the Company or any Subsidiary as the last day of the Participant's employment with the Company or any Subsidiary. The date that the Participant ceases to be employed by the Company or Subsidiary specifically does not mean the date on which any period of reasonable notice that the Company or any Subsidiary may be required at law to provide to the Participant expires.

Restricted Share Units Payable Only in Shares**.** Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of Restricted Share Units does not provide any right for the Participant to receive a cash payment, and the Restricted Share Units (and dividend equivalents) are payable in Shares only.

Terms and Conditions Applicable to Chile

Private Placement. In accordance with Circular 99 of 2001, from Chile's Superintendence of Securities, the grant of the Restricted Share Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities, and the Plan is not subject to the supervision of the local securities authorities.

Terms and Conditions Applicable to China

Settlement in Cash. Notwithstanding any provision in the Agreement or Plan to the contrary, Restricted Share Units will be settled in the form of a local cash payment unless, at the time of delivery, Share settlement does not trigger the need for any approval from and/or filing with SAFE.

Terms and Conditions Applicable to Japan

No country specific terms and conditions for Japan.

EXHIBIT 10.66

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

PERFORMANCE SHARE AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Incentive Period: **January 1, 2014 – December 31, 2016**	
Date Vested:	**DECEMBER 31, 2016**

Additional terms and conditions of your Award are included in the Performance Share Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 3.1 of the Performance Share Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Performance Share Award Agreement

This Performance Share Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Performance Share Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to Participant Performance Shares representing the opportunity to earn a number of the Company's common shares, $.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.
Definitions

All terms used herein with initial capital letters shall have the meanings assigned to them in the Plan and the following additional terms, when used herein with initial capital letters, shall have the following meanings:

1.1 "Incentive Period" shall be the time period as set forth in the Award Memorandum.

1.2 "Market Value Price" shall mean the latest available closing price of a Share of the Company or the latest available closing price per share of a common share of each of the entities in the Peer Group, as the case may be, on the New York Stock Exchange or other recognized market if the shares do not trade on the New York Stock Exchange at the relevant time.

1.3 "Peer Group" shall mean the group of companies, as more particularly set forth on attached Exhibit A, against which the Relative Total Shareholder Return of the Company is measured over the Incentive Period.

1.4 "Performance Objectives" shall mean for the Incentive Period the predetermined objectives of the Company with respect to the Relative Total Shareholder Return goal established by the Committee and reported to the Board, as more particularly set forth on attached Exhibit B.

1.5 "Performance Shares Earned" shall mean the number of Shares of the Company (or cash equivalent) earned by a Participant, as determined under Section 2.3.

1.6 "Relative Total Shareholder Return" shall mean for the Incentive Period the Total Shareholder Return of the Company compared to the Total Shareholder Return of the Peer Group, as more particularly set forth on attached Exhibit C.

1.7 "Share Ownership Guidelines" shall mean the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines, as amended from time to time, which encourage such Directors and Officers to hold a meaningful stake in the Company.

1.8 "Total Shareholder Return" or "TSR" shall mean for the Incentive Period the cumulative return to shareholders of the Company and to the shareholders of each of the entities in the Peer Group during the Incentive Period, measured by the change in Market Value Price per share of a Share of the Company plus dividends (or other distributions, excluding franking credits) reinvested over the Incentive Period and the change in the Market Value Price per share of the common share of each of the entities in the Peer Group plus dividends (or other distributions, excluding franking credits) reinvested over the Incentive Period, determined on the last business day of the Incentive Period compared to a base measured by the average Market Value Price per share of a Share of the Company and of a common share of each of the entities in the Peer Group on the last business day of the year immediately preceding the Incentive Period. Dividends (or other distributions, excluding franking credits) per share are assumed to be reinvested in the applicable stock on the last business day of the quarter during which they are paid at the then Market Value Price per share, resulting in a fractionally higher number of shares owned at the market price.

ARTICLE 2.
Grant and Terms of Performance Shares

2.1 Grant of Performance Shares. Pursuant to the Plan, the Company has granted to Participant an Award covering the number of Performance Shares as specified in the Award Memorandum, with dividend equivalents ("Performance Shares"), effective as of the Date of Grant.

2.2 Issuance of Performance Shares. The Performance Shares covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion), to the extent such Performance Shares have become Performance Shares Earned, as provided in Section 2.3, on the date the Performance Shares Earned are to be paid as specified in Section 2.4.

2.3 Performance Shares Earned.

(a) Achievement of Company Performance Objective(s). Subject to Sections 2.3(b), 2.3(c), and 2.3(d), the number of Performance Shares Earned, if any, shall be based upon the degree of achievement of the Company Performance Objective(s), all as more particularly set forth in Exhibit B, with actual Performance Shares Earned interpolated between the performance levels shown on Exhibit B, as determined and certified by the Committee as of the end of the Incentive Period. The percentage level of achievement determined for the Company Performance Objective(s) shall be multiplied by the number of Performance Shares to determine the actual number of Performance Shares Earned, rounded down to the nearest whole Performance Share. The calculation as to whether the Company has met or exceeded the Company Performance Objective(s) shall be determined and certified by the Committee in accordance with the Award and these terms and conditions. Notwithstanding any provision to the contrary, in no event shall any Performance Shares become Performance Shares Earned with respect to achievement by the Company in excess of the allowable maximum as established under the Company Performance Objective(s), and except as provided in Sections 2.3(b), 2.3(c), and 2.3(d), no Performance Shares will become Performance Shares Earned unless the Participant remains in the continuous employment of the Company or Subsidiary during the entire Incentive Period.

(b) Death or Disability. If the Participant experiences a termination of employment because of the Participant's death or Disability during the Incentive Period, 100% of the Performance Shares shall become Performance Shares Earned upon such termination, regardless of the actual degree of achievement otherwise calculated in accordance with Section 2.3(a).

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment because of Retirement or because the Participant is terminated by the Company without Cause during the Incentive Period, the number of Participant's Performance Shares that become Performance Shares Earned will be determined after the end of the Incentive Period under Section 2.3(a) (without regard to the requirement that employment continue until the end of the Incentive Period), prorated based upon the number of full months the Participant was employed with the Company or a Subsidiary between January 1, 20__ and the date of the Participant's termination of employment compared to the number of full months from January 1, 2014 to December 31, 2016 rounded down to the nearest whole Performance Share.

(d) Change in Control. In the event of a Change in Control (as defined in Section 2.5) during the Incentive Period or otherwise occurring during 2014, the Participant's Performance Shares will become Performance Shares Earned only to the extent provided in Section 2.5.

In the event the Participant otherwise terminates employment prior to becoming entitled to Performance Shares Earned or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Performance Shares that were granted under the Agreement.

2.4 Payment of Performance Shares Earned.

(a) Payment After Incentive Period. The Performance Shares Earned shall be paid after the end of the Incentive Period and after the determination and certification by the Committee of the level of attainment of the Company Performance Objective(s), but in any event no later than 2-½ months after the end of the Incentive Period to the extent not previously paid to the Participant.

(b) Change in Control. Notwithstanding Section 2.4(a), to the extent there are any Performance Shares Earned as of a Change in Control, such Performance Shares Earned will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 2.4.

(c) Payment Following a Change in Control. Notwithstanding Section 2.4(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Performance Shares Earned as of the date of such termination of employment shall be paid within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 2.4. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time) and the payment is subject to Section 409A of the Code, payment for the Performance Shares Earned will be made on the first day of the seventh month after the date of Participant's termination of employment or, if earlier, the date of the Participant's death.

(d) General. The Committee, in its sole discretion, may settle the Performance Shares Earned in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Performance Shares Earned are paid in cash, the cash equivalent of one Performance Share Earned shall be equal to the Fair Market Value of one Share on the last trading day of the Incentive Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Performance Shares granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Share Ownership Guidelines unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold

Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 5.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Performance Shares Earned, before income tax withholding, so that they cannot be sold by Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(e) Payments After Death. Any payment of Performance Shares Earned to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(f) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Performance Shares Earned to the Participant. The Performance Shares covered by this Agreement that have not yet been earned as Performance Shares Earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 2.4(e).

2.5 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on July 28, 2014 and ending on the date of the Change in Control, upon the Change in Control, 100% of the Performance Shares shall become Performance Shares Earned, except to the extent that an award meeting the requirements of Section 2.5(e) (a "Replacement Award") is provided to the Participant in accordance with Section 2.5(e) to replace, adjust, or continue the Award of Performance Shares covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Performance Shares in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating Participant's employment other than for Cause within a period of two years after the Change in Control and during the Incentive Period, 100% of the Replacement Award will become earned and nonforfeitable upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Performance Shares that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Performance Shares Earned at the time of such Change in Control and will be paid as provided for in Section 2.4(b).

(d) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 2.5(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 2.5(d)(iii)(A), 2.5(d)(iii)(B) and 2.5(d)(iii)(C), below;

(ii) individuals who, as of July 28, 2014, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 28, 2014 whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award (i) of the same type (e.g., performance shares) as the Replaced Award, (ii) that has a value at least equal to the value of the Replaced Award, (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award, and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 2.5(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 2.5 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 3.
Other Terms and Conditions

3.1 Non-Compete and Confidentiality.

(a) A Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause a Participant to forfeit the right to Performance Shares and require the Participant to reimburse the Company for the taxable income received on Performance Shares that become payable to the Participant.

ARTICLE 4.
Acknowledgments

4.1 Acknowledgments. In accepting the Award, Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Performance Shares is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Shares, or benefits in lieu of Performance Shares, even if Performance Shares have been granted in the past;

(c) All decisions with respect to future Performance Shares or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Performance Share award and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Performance Shares resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of the Performance Shares to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Performance Shares shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Performance Shares;

(j) The Performance Shares and the Shares subject to the Performance Shares, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(k) The Company reserves the right to impose other requirements on participation in the Performance Shares and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing; and

(l) The Performance Shares and any related benefit or compensation under this Agreement is subject to the Company's Clawback Policy (or any other applicable recoupment, recapture, clawback or recovery policy of the Company as adopted by the Board or the Committee and in effect from time to time), a copy of which is available upon request.

ARTICLE 5.
General Provisions

5.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided further, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

5.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that Performance Shares are paid in accordance with Section 2.4, the Participant will be entitled to dividend equivalents on Performance Shares Earned equal to the cash dividend or distribution that would have been paid on the Performance Shares Earned had the Performance Shares Earned been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Performance Shares to which they relate, and (b) will be denominated and payable solely in cash.

5.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan in connection with the Participant’s Performance Shares (or dividend equivalents, if any), unless as otherwise specified in the Appendix to this Agreement, including, without limitation, any tax liability associated with the grant or vesting of the Performance Shares or sale of the underlying Shares (the “Tax Liability”). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant’s sole responsibility and liability. The Participant acknowledges that the Company’s obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Performance Shares; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company’s tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant’s wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

5.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or required to comply with Section 409A of the Code.

5.5 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

5.6 These Terms and Conditions Subject to Plan . The Performance Shares covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

5.7 Transferability. Except as otherwise provided in the Plan, the Performance Shares are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Performance Shares shall be null and void.

5.8 Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Performance Share award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company or Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Performance Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Performance Shares or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

5.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

5.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

5.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Performance Shares by electronic means. By accepting this Award of Performance Shares, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

5.12 **Appendix to Agreement**. Notwithstanding any provisions of this Agreement to the contrary, the Performance Shares shall be subject to such special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in the appendix to this Agreement (the "Appendix"). Further, if the Participant transfers residency and/or employment to another country, any special terms and conditions for such country will apply to the Performance Shares to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Performance Shares and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate a transfer). In all circumstances, the Appendix shall constitute part of this Agreement.

5.13 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

5.14 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

5.15 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit D]

EXHIBITS

Exhibit A	Peer Group
Exhibit B	Performance Objectives
Exhibit C	Relative Total Shareholder Return
Exhibit D	Electronic Acceptance

Exhibit A

PEER GROUP
(2014 – 2016)

The Peer Group will be the constituents as defined by the SPDR Metals and Mining ETF Index on the last day of trading of the Incentive Period.

The value of the stock of a Peer Group company will be determined in accordance with the following:

1. If the stock is listed on an exchange in the U.S. or Canada, then the value on such exchange will be used;

2. Otherwise, if the stock is traded in the U.S. as an American Depositary Receipt ("ADR"), then the value of the ADR will be used; or

3. Otherwise, the value on the exchange in the country where the company is headquartered will be used.

Exhibit B

PERFORMANCE OBJECTIVES(2014 – 2016)

The Performance Objective of the Company is based on Relative Total Shareholder Return (share price plus reinvested dividends) over the three-year Incentive Period from January 1, 2014 to December 31, 2016. Achievement of the Relative Total Shareholder Return objective shall be determined by the Total Shareholder Return of the Company relative to that of the Peer Group, interpolating where necessary. Achievement shall be determined against the scale set forth in the table below:

		Performance Level	
Performance Factor	Threshold	Target	Maximum
Relative TSR	35th percentile	55th percentile	75th percentile
Payout For Relative TSR	50%	100%	200%

Exhibit C

RELATIVE TOTAL SHAREHOLDER RETURN
(2014 – 2016)

Relative Total Shareholder Return for the Incentive Period is calculated as follows:

1. The Total Shareholder Return as defined in Section 1.8 of these terms and conditions for the Incentive Period for the Company shall be compared to the Total Shareholder Return for each of the entities within the Peer Group for the Incentive Period. The results shall be ranked to determine the Company’s Relative Total Shareholder Return percentile ranking compared to the Peer Group.

2. The Company’s Relative Total Shareholder Return for the Incentive Period shall be compared to the Relative Total Shareholder Return Performance target range established for the Incentive Period.

3. The Relative Total Shareholder Return performance target range has been established for the 2014 - 2016 Incentive Period as follows:

Performance Level	2014 - 2016 Relative Total Shareholder Return Percentile Ranking
Maximum	75th Percentile
Target	55th Percentile
Threshold	35th Percentile

Exhibit D

ELECTRONIC ACCEPTANCE

Acceptance by Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

APPENDIX FOR NON-U.S. PARTICIPANTS
ADDITIONAL TERMS AND CONDITIONS TO AGREEMENT

This Appendix includes the following additional terms and conditions that govern the Participant's Performance Share Award for all Participants that reside and/or work outside of the United States.

Notifications

This Appendix also includes notifications regarding exchange controls and other regulatory issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information herein is based on the securities, exchange control and other laws in effect in the respective countries as of January 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Performance Shares vest, or the Shares are delivered or cash paid in settlement of the Performance Shares, or the Participant sells any Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company, its Subsidiaries or Affiliates, nor the Company's stock plan administrator ("Administrator") is in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country of residence and/or work may apply to the Participant's situation.

Finally, if the Participant transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes following the Date of Grant, the notifications contained herein may not be applicable to the Participant, and the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Terms and Conditions Applicable to All Non-U.S. Jurisdictions

English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, rules, procedures, forms, notices and legal proceedings entered into, given or instituted pursuant to the Performance Share, be drawn up in English. If the Participant has received this Agreement, the Plan or any other Agreement rules, procedures, forms or documents related to the Performance Share award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise provided herein.

Compliance with Laws; Repatriation. The Participant agrees, as a condition of the grant of the Performance Share award, to repatriate all payments attributable to the Performance Share and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents (if any), and any proceeds derived from the sale of the Shares acquired pursuant to the Agreement) in accordance with all foreign exchange rules and regulations applicable to the Participant. The Company, Subsidiaries, Affiliates and the Administrator reserve the right to impose other requirements on the Participant's participation in the Plan, on the Performance Shares and on any Shares acquired or cash payments made pursuant to the Agreement, to the extent the Company, its Subsidiaries or Affiliates or the Administrator determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

Private Placement. The grant of the Performance Shares is not intended to be a public offering of securities in the Participant's country of residence and/or employment but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Performance Shares is not subject to the supervision of the local securities authorities.

Responsibility for Taxes & Withholding. Regardless of any action the Company or any of its Subsidiaries or Affiliates takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries or Affiliates. The Participant further acknowledges that the Company and/or its Subsidiaries or Affiliates (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Performance Shares, including, but not limited to, the grant, vesting or settlement of the Performance Shares, the issuance of Shares or cash upon settlement of the Performance Shares, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents (if any); and (2) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries or Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries or Affiliates to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or its Subsidiaries or Affiliates, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) Withholding in Shares to be issued or cash to be paid upon vesting/settlement of the Performance Shares; or

(b) Withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries or Affiliates; or

(c) Withholding from proceeds of the Shares acquired upon vesting/settlement of the Performance Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company and/or its Subsidiaries or Affiliates may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Performance Shares, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

Finally, the Participant shall pay to the Company and/or its Subsidiaries or Affiliates any amount of Tax-Related Items that the Company and/or its Subsidiaries or Affiliates may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

Terms and Conditions Applicable to Australia

Securities Law Notice. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Terms and Conditions Applicable to Canada

Use of English Language. The parties acknowledge that it is their express wish that the present Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Resale Restriction. The Participant is permitted to sell the Shares acquired upon vesting through the designated broker appointed under the Plan, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

Termination Date. The Participant ceases to be employed with the Company or its Subsidiaries or Affiliates on the later of (i) the date that is the last day of any statutory notice of termination period applicable to the Participant pursuant to applicable employment standards legislation, and (ii) the date that is designated by the Company or any Subsidiary or Affiliate as the last day of the Participant's employment with the Company or any Subsidiary or Affiliate. The date that the Participant ceases to be employed by the Company, Subsidiary or Affiliate specifically does not mean the date on which any period of reasonable notice that the Company or any Subsidiary or Affiliate may be required at law to provide to the Participant expires.

Performance Shares Payable Only in Shares**.** Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of Performance Shares does not provide any right for the Participant to receive a cash payment, and the Performance Shares (and any dividend equivalents) are payable in Shares only.

Terms and Conditions Applicable to Chile

Private Placement. In accordance with Circular 99 of 2001, from Chile's Superintendence of Securities, the grant of the Performance Shares hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities, and the Plan is not subject to the supervision of the local securities authorities.

Terms and Conditions Applicable to China

Settlement in Cash. Notwithstanding any provision in the Agreement or Plan to the contrary, Performance Shares will be settled in the form of a local cash payment unless, at the time of delivery, Share settlement does not trigger the need for any approval from and/or filing with SAFE.

Terms and Conditions Applicable to Japan

No country specific terms and conditions for Japan.

EXHIBIT 10.69

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

NON-QUALIFIED STOCK OPTION AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Number of Stock Option Shares Subject to Award:	**SHARES GRANTED**
Exercise Price per Share:	**$**
Term/Expiration Date:	**January 12, 2025**
Vesting Date:	**December 31, 2017**
Vesting Period:	**January 1, 2015 – December 31, 2017**

Additional terms and conditions of your Award are included in the Stock Option Award Agreement. As a condition to your receipt of Stock Options, you must accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Stock Option Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award; you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Stock Option Award Agreement

This Stock Option Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Stock Option Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs the Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to the Participant Stock Options representing the opportunity to purchase a number of the Company's common shares, $0.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.

Grant and Terms of Stock Options

1.1 Grant of Stock Options. Pursuant to the Plan, the Company has granted to the Participant the number of Non-Qualified Stock Options as specified in the Award Memorandum (the "Stock Options"), effective as of the Date of Grant.

1.2 Vesting and Exercise of Stock Options. The Stock Options shall become Vested and exercisable as follows:

(a) Employment Through the Vesting Date. Subject to Sections 1.2(b) and 1.5, the Stock Options will become Vested and exercisable according to the vesting schedule specified in the Award Memorandum, if the Participant remains in the continuous of employ of the Company or a Subsidiary throughout the period beginning on the Date of Grant and ending on the Vesting Date.

(b) Termination of Employment. In the event of the Participant's death, Disability or other termination of employment, the exercisability of the Stock Options will be governed by Section 12.1 of the Plan; provided, however, notwithstanding anything in Section 12.1 of the Plan to the contrary, if the Participant's employment is terminated without Cause, but only if within sixty (60) days the Participant signs and does not revoke a general release in a form acceptable to the Company (a "Release"), then the Participant will Vest in a pro rata portion of the Stock Options that would have Vested on the Vesting Date had the Participant not been terminated without Cause, with such pro rata portion equal to the product of (i) the total number of Stock Options subject to this Award, multiplied by (ii) a fraction, the numerator of which is the number of days from the beginning of the Vesting Period to the date on which the Participant's employment terminated, and the denominator of which is the number of days in the Vesting Period.

(c) In the event the exercise of the Stock Options following the termination of the Participant's employment would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act of 1933, the Options will terminate on the earlier of (i) the Term/Expiration Date of the Stock Options as set forth in the Award Memorandum or (ii) the expiration of a period of three (3) months after the termination of the Participant's employment during which the exercise of the Stock Options would not be in violation of such registration requirements.

(d) In no event may the Stock Options be exercised after the Term/Expiration Date of the Stock Options as set forth in the Award Memorandum.

(e) Vested Stock Options may be exercised in whole or in part at any time during the term of the Stock Options by giving written notice of exercise to the Company specifying the number of Shares to be purchased. The notice must be given by or on behalf of a person entitled to exercise the Stock Options, accompanied by payment in full of the Exercise Price in accordance with Section 1.3, along with any required tax withholding pursuant to Section 18.3 of the Plan. Stock Options may not be exercised for a fraction of a Share.

1.3 **Payment of Exercise Price**. The Exercise Price may be paid:

(a) in cash in any manner satisfactory to the Committee;

(b) by tendering (either by actual delivery of Shares or by attestation) previously owned Shares having an aggregate Fair Market Value on the date of exercise equal to the Exercise Price applicable to such Stock Options being exercised;

(c) by a combination of cash and Shares;

(d) to the extent permitted by applicable law, from the proceeds of sale through a bank or a broker on the date of exercise of some or all of the Shares to which the exercise relates in whole or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and delivery of all or a part of the sales proceeds to the Company in payment of the Exercise Price and, if applicable, the amount necessary to satisfy the Company's withholding obligations at the minimum statutory withholding rates, including but not limited to, U.S. federal and state income taxes, payroll taxes and foreign taxes, if applicable;

(e) by the Company's withholding of Shares otherwise issuable upon exercise of the Stock Options pursuant to a "net exercise" arrangement; or

(f) by another method permitted by law that assures full and immediate payment of the Exercise Price.

The Committee may withhold its approval for any method of payment for any reason, in its sole discretion, including, but not limited to, concerns that the proposed method of payment will result in adverse financial accounting treatment or adverse tax treatment for the Company.

1.4 **Issuance of Shares**. The Company will issue or cause to be issued such Shares promptly upon exercise of any of the Stock Options without any restrictions other than those described in Section 17.2 of the Plan. No Shares will be issued until full payment has been made. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the share certificate evidencing such Shares, no right to vote or receive dividends, dividend equivalents or any other rights as a Shareholder will exist with respect to the Shares, notwithstanding the exercise of the Stock Options.

1.5 Change in Control Vesting .

(a) If the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on January 1, 2015 and ending on the date of a Change in Control, the Participant will become 100% Vested in all the Stock Options subject to the Award upon the Change in Control and such Stock Options will become fully exercisable for the full term of the award, except to the extent that an award meeting the requirements of Section 1.5(d) (a "Replacement Award") is provided to the Participant in accordance with Section 1.5(d) to replace, adjust or continue the award of Stock Options covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Stock Options in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating the Participant's employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination, which Replacement Award will become immediately exercisable in full, and the Replacement Award will remain exercisable for the full term of the Replacement Award.

(c) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.5(c)(iii)(A), 1.5(c)(iii)(B) and 1.5(c)(iii)(C), below;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(d) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (*e.g.*, time-based non-qualified stock options) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 1.5(d) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(e) A termination "for Cause" means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(f) A termination "for Good Reason" means the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.

Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(a) The Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause the Participant to forfeit the right to the Stock Options and require the Participant to reimburse the Company for the taxable income received on the exercise of Stock Options within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.

Acknowledgements

3.1 Acknowledgments. In accepting the Award, Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Stock Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Stock Options, or benefits in lieu of Stock Options, even if Stock Options have been granted in the past;

(c) All decisions with respect to future Stock Options or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Stock Option Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Stock Options resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Stock Options to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Stock Options shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Stock Options;

(j) The Stock Options and the Shares underlying the Stock Options, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(k) The Company reserves the right to impose other requirements on participation in the Stock Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.

General Provisions

4.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan in connection with the Participant's Stock Options, including, without limitation, any tax liability associated with the grant or exercise of the Stock Options or sale of the underlying Shares (the "Tax Liability"). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant's sole responsibility and liability. The Participant acknowledges that the Company's obligation to issue or deliver Shares shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one of its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued to the Participant upon exercise of the vested Stock Options; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant's wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.3 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries, service solely as a director of the Company or any Subsidiary or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.4 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.5 These Terms and Conditions Subject to Plan. The Stock Options covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.6 Transferability. Except as otherwise provided in the Plan, the Stock Options are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Stock Options shall be null and void.

4.7 Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Stock Option award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company or Subsidiary may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Stock Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (*e.g.*, the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Stock Options or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

4.8 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Section 409A of the Code, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.9 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.10 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Stock Options by electronic means. By accepting this Award of Stock Options, the Participant hereby acknowledges the Company's execution of this Agreement and consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.11 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.12 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.13 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with, or are exempt from, the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by

Section 409A of the Code and may be made by the Company without the consent of the Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A
Acceptance by the Participant

The Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant's Signature	

EXHIBIT 10.70

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

RESTRICTED SHARE UNIT AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Grant Price:	**GRANT PRICE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Vesting Dates:	**1/3 of the Restricted Share Units shall Vest on December 31, 2015**
	1/3 of the Restricted Share Units shall Vest on December 31, 2016
	1/3 of the Restricted Share Units shall Vest on December 31, 2017 (each such Vesting date, a "Vesting Date")

Additional terms and conditions of your Award are included in the Restricted Share Unit Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Restricted Share Unit Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Restricted Share Unit Award Agreement

This Restricted Share Unit Award Agreement (the "Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the "Company"), and you, the person named in the Restricted Share Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs the Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to the Participant Restricted Share Units representing the opportunity to earn a number of the Company's common shares, $0.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.
Grant and Terms of Restricted Share Units

1.1 Grant of Restricted Share Units. Pursuant to the Plan, the Company has granted to Participant the number of Restricted Share Units as specified in the Award Memorandum, with dividend equivalents ("Restricted Share Units"), effective as of the Date of Grant.

1.2 Vesting As Condition of Payment. The Restricted Share Units covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion) equal in number to the Restricted Share Units to the extent the Participant is "Vested" in the Restricted Share Units on the date the Restricted Share Units are to be paid as specified in Section 1.3. The Restricted Share Units will become Vested as follows:

(a) Employment Through Each Vesting Date. The Participant will become Vested in one-third (1/3) of the Restricted Share Units subject to this Award on each Vesting Date, as set forth in the Award Memorandum, if the Participant remains in the continuous employ of the Company or Subsidiary through each such Vesting Date. The period beginning on the Date of Grant and ending on the final Vesting Date shall be the "Vesting Period."

(b) Death or Disability. The Participant will become 100% Vested in the Restricted Share Units subject to this Award that are not otherwise Vested, if the Participant experiences a termination of employment with the Company because of the Participant's death or Disability during the Vesting Period.

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of Retirement or a termination of employment by the Company without Cause during the Vesting Period, the Participant shall additionally become Vested in a prorated number of the Restricted Share Units calculated by multiplying one-third (1/3) of the Restricted Share Units subject to this Award by a fraction, the numerator of which is the number of full months the Participant was employed with the Company or a Subsidiary between the January 1 of the year in which the

termination occurred and the date of the Participant's termination of employment, and the denominator of which is 12, rounded down to the nearest whole Restricted Share Unit.

(d) Change in Control. In the event of a Change in Control (as defined in Section 1.4) during the Vesting Period, the Participant will become Vested in the Restricted Share Units that are not otherwise Vested only to the extent provided in Section 1.4.

In the event the Participant otherwise terminates employment prior to becoming Vested in all of the Restricted Share Units or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Restricted Share Units that were granted under the Agreement and were not Vested at the time of such termination of employment.

1.3 Payment of Restricted Share Units.

(a) Payment After a Vesting Date. Subject to Sections 1.3(b) and (d), the Restricted Share Units that are Vested as of each Vesting Date shall be paid within 2-½ months following the applicable Vesting Date.

(b) Payment After Death. Notwithstanding Section 1.3(a), if the Participant experiences a termination of employment with the Company because of the Participant's death during the Vesting Period, the Vested Restricted Shares Units will be paid within 30 days following the date of termination. Any payment of Restricted Share Units to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(c) Payment After Disability, Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of the Participant's Disability, Retirement, or a termination of employment by the Company without Cause during the Vesting Period, the Vested Restricted Shares Units shall be paid in accordance with Section 1.3(a).

(d) Change in Control. Notwithstanding Section 1.3(a), to the extent any Restricted Share Units are Vested as of a Change in Control, such Vested Restricted Share Units will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3.

(e) Payment Following a Change in Control. Notwithstanding Sections 1.2 and 1.3(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Restricted Share Units that are Vested as of the date of such termination of employment shall be paid in cash (pursuant to Section 1.4(f)) within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the Restricted Share Units will be made on the first day of the seventh month after the date of the Participant's termination of employment or, if earlier, the date of the Participant's death.

(f) General. The Committee, in its sole discretion, may settle the Restricted Share Units in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Restricted Share Units shall be paid in cash, the cash equivalent of one Restricted Share Unit shall be equal to the Fair Market Value of one Share on the last trading day of the Vesting Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Restricted Share Units granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines ("Share Ownership Guidelines") unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 4.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Restricted Share Units, before income tax withholding, so that they cannot be sold by the Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(g) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Restricted Share Units to the Participant. The Restricted Share Units covered by this Agreement that have not yet been earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 1.3(b).

1.4 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary through the period beginning on January 1, 2015 and ending on the date of a Change in Control, the Participant will become 100% Vested in the Restricted Share Units not otherwise Vested subject to the Award upon the Change in Control, except to the extent that an award meeting the requirements of Section 1.4(e) (a "Replacement Award") is provided to the Participant in accordance with Section 1.4(e) to replace, adjust or continue the award of Restricted Share Units covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Restricted Share Units in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating the Participant's employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Share Units that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in Section 1.3(b).

(d) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.4(d)(iii)(A), 1.4(d)(iii)(B) and 1.4(d)(iii)(C), below;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based restricted share units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of

whether the conditions of this Section 1.4(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 1.4 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time ("Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.
Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(a) The Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause the Participant to forfeit the right to Restricted Share Units and require the Participant to reimburse the Company for the taxable income received on Restricted Share Units that have been paid out in Shares within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.
Acknowledgments

3.1 Acknowledgments. In accepting the Award, the Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Restricted Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

(c) all decisions with respect to future Restricted Share Units or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary; The Restricted Share Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(e) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Share Units resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Restricted Share Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(g) Neither the Plan nor the Restricted Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(h) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Restricted Share Units;

(i) The Restricted Share Units and the Shares subject to the Restricted Share Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(j) The Company reserves the right to impose other requirements on participation in the Restricted Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.
General Provisions

4.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that the Restricted Share Units are paid in accordance with Section 1.3, the Participant will be entitled to dividend equivalents on Restricted Share Units equal to the cash dividend or distribution that would have been paid on the Restricted Share Units had the Restricted Share Units been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Share Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant’s participation in the Plan in connection with the Participant’s Restricted Share Units (or dividend equivalents, if any), without limitation, any tax liability associated with the grant or vesting of the Restricted Share Units or sale of the underlying Shares (the “Tax Liability”). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant’s sole responsibility and liability. The Participant acknowledges that the Company’s obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Restricted Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company’s tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant’s wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.5 **Relation to Other Benefits**. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.6 **These Terms and Conditions Subject to Plan** . The Restricted Share Units covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.7 **Transferability**. Except as otherwise provided in the Plan, the Restricted Share Units are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Restricted Share Units shall be null and void.

4.8 **Data Privacy**. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Restricted Share Unit award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company or Subsidiary may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Restricted Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

4.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Units by electronic means. By accepting this Award of Restricted Share Units, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.12 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.13 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.14 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A
ELECTRONIC ACCEPTANCE

Acceptance by the Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

EXHIBIT 10.71

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

PERFORMANCE SHARE AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Grant Price:	**GRANT PRICE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Incentive Period:	**January 1, 2015 – December 31, 2017**
Date Vested:	**DECEMBER 31, 2017**

Additional terms and conditions of your Award are included in the Performance Share Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 3.1 of the Performance Share Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Performance Share Award Agreement

This Performance Share Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Performance Share Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs the Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to the Participant Performance Shares representing the opportunity to earn a number of the Company's common shares, $0.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.
Definitions

All terms used herein with initial capital letters shall have the meanings assigned to them in the Plan and the following additional terms, when used herein with initial capital letters, shall have the following meanings:

1.1 "Incentive Period" shall be the time period as set forth in the Award Memorandum.

1.2 "Market Value Price" shall mean the latest available closing price of a Share of the Company or the latest available closing price per share of a common share of each of the entities in the Peer Group, as the case may be, on the New York Stock Exchange or other recognized market if the shares do not trade on the New York Stock Exchange at the relevant time.

1.3 "Peer Group" shall mean the group of companies, as more particularly set forth on attached Exhibit A, against which the Relative Total Shareholder Return of the Company is measured over the Incentive Period.

1.4 "Performance Objectives" shall mean for the Incentive Period the predetermined objectives of the Company with respect to the Relative Total Shareholder Return goal established by the Committee and reported to the Board, as more particularly set forth on attached Exhibit B.

1.5 "Performance Shares Earned" shall mean the number of Shares of the Company (or cash equivalent) earned by a Participant, as determined under Section 2.3.

1.6 "Relative Total Shareholder Return" shall mean for the Incentive Period the Total Shareholder Return of the Company compared to the Total Shareholder Return of the Peer Group, as more particularly set forth on attached Exhibit C.

1.7 "Share Ownership Guidelines" shall mean the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines, as amended from time to time, which encourage such Directors and Officers to hold a meaningful stake in the Company.

1.8 "Total Shareholder Return" or "TSR" shall mean for the Incentive Period the cumulative return to shareholders of the Company and to the shareholders of each of the entities in the Peer Group during the Incentive Period, measured by the change in Market Value Price per share of a Share of the Company plus dividends (or other distributions, excluding franking credits) reinvested over the Incentive Period and the change in the Market Value Price per share of the common share of each of the entities in the Peer Group plus dividends (or other distributions, excluding franking credits) reinvested over the Incentive Period, determined on the last business day of the Incentive Period compared to a base measured by the average Market Value Price per share of a Share of the Company and of a common share of each of the entities in the Peer Group on the last business day of the year immediately preceding the Incentive Period. Dividends (or other distributions, excluding franking credits) per share are assumed to be reinvested in the applicable stock on the last business day of the quarter during which they are paid at the then Market Value Price per share, resulting in a fractionally higher number of shares owned at the market price.

ARTICLE 2.
Grant and Terms of Performance Shares

2.1 Grant of Performance Shares. Pursuant to the Plan, the Company has granted to the Participant an Award covering the number of Performance Shares as specified in the Award Memorandum, with dividend equivalents ("Performance Shares"), effective as of the Date of Grant.

2.2 Issuance of Performance Shares. The Performance Shares covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion), to the extent such Performance Shares have become Performance Shares Earned, as provided in Section 2.3, on the date the Performance Shares Earned are to be paid as specified in Section 2.4.

2.3 Performance Shares Earned.

(a) Achievement of Company Performance Objective(s). Subject to Sections 2.3(b), 2.3(c), and 2.3(d), the number of Performance Shares Earned, if any, shall be based upon the degree of achievement of the Company Performance Objective(s), all as more particularly set forth in Exhibit B, with actual Performance Shares Earned interpolated between the performance levels shown on Exhibit B, as determined and certified by the Committee as of the end of the Incentive Period. The percentage level of achievement determined for the Company Performance Objective(s) shall be multiplied by the number of Performance Shares to determine the actual number of Performance Shares Earned, rounded down to the nearest whole Performance Share. The calculation as to whether the Company has met or exceeded the Company Performance Objective(s) shall be determined and certified by the Committee in accordance with the Award and these terms and conditions. Notwithstanding any provision to the contrary, in no event shall any Performance Shares become Performance Shares Earned with respect to achievement by the Company in excess of the allowable maximum as established under the Company Performance Objective(s), and except as provided in Sections 2.3(b), 2.3(c), and 2.3(d), no Performance Shares will become Performance Shares Earned unless the Participant remains in the continuous employment of the Company or Subsidiary during the entire Incentive Period.

(b) Death or Disability. If the Participant experiences a termination of employment because of the Participant's death or Disability during the Incentive Period, 100% of the Performance Shares shall become Performance Shares Earned upon such termination, regardless of the actual degree of achievement otherwise calculated in accordance with Section 2.3(a).

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment because of Retirement or because the Participant is terminated by the Company without Cause during the Incentive Period, the number of the Participant's Performance Shares that become Performance Shares Earned will be determined after the end of the Incentive Period under Section 2.3(a) (without regard to the requirement that employment continue until the end of the Incentive Period), prorated based upon the number of full months the Participant was employed with the Company or a Subsidiary between January 1, 2015 and the date of the Participant's termination of employment compared to the number of full months from January 1, 2015 to December 31, 2017 rounded down to the nearest whole Performance Share.

(d) Change in Control. In the event of a Change in Control (as defined in Section 2.5) during the Incentive Period, the Participant's Performance Shares will become Performance Shares Earned only to the extent provided in Section 2.5.

In the event the Participant otherwise terminates employment prior to becoming entitled to Performance Shares Earned or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Performance Shares that were granted under the Agreement.

2.4 Payment of Performance Shares Earned.

(a) Payment After Incentive Period. The Performance Shares Earned shall be paid after the end of the Incentive Period and after the determination and certification by the Committee of the level of attainment of the Company Performance Objective(s), but in any event no later than 2-½ months after the end of the Incentive Period to the extent not previously paid to the Participant.

(b) Change in Control. Notwithstanding Section 2.4(a), to the extent there are any Performance Shares Earned as of a Change in Control, such Performance Shares Earned will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 2.4.

(c) Payment Following a Change in Control. Notwithstanding Sections 2.2 and 2.4(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Performance Shares Earned as of the date of such termination of employment shall be paid in cash (pursuant to Section 2.4(d)) within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 2.4. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time) and the payment is subject to Section 409A of the Code, payment for the Performance Shares Earned will be made on the first day of the seventh month after the date of the Participant's termination of employment or, if earlier, the date of the Participant's death.

(d) General. The Committee, in its sole discretion, may settle the Performance Shares Earned in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Performance Shares Earned are paid in cash, the cash equivalent of one Performance Share Earned shall be equal to the Fair Market Value of one Share on the last trading day of the Incentive Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Performance Shares granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Share Ownership Guidelines unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 5.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Performance Shares Earned, before income tax withholding, so that they cannot be sold by the Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(e) Payments After Death. Any payment of Performance Shares Earned to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(f) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Performance Shares Earned to the Participant. The Performance Shares covered by this Agreement that have not yet been earned as Performance Shares Earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 2.4(e).

2.5 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary throughout the period beginning on January 1, 2015 and ending on the date of the Change in Control, upon the Change in Control, 100% of the Performance Shares shall become Performance Shares Earned, except to the extent that an award meeting the requirements of Section 2.5(e) (a "Replacement Award") is provided to the Participant in accordance with Section 2.5(e) to replace, adjust, or continue the Award of Performance Shares covered by this Agreement (the "Replaced Award"). If a Replacement Award is provided, references to Performance Shares in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the "Successor") by reason of the Participant terminating employment for Good Reason or the Successor terminating the Participant's employment other than for Cause within a period of two years after the Change in Control and during the Incentive Period, 100% of the Replacement Award will become earned and nonforfeitable upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Performance Shares that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Performance Shares Earned at the time of such Change in Control and will be paid as provided for in Section 2.4(b).

(d) For purposes of this Agreement, a "Change in Control" means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this Section 2.5(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 2.5(d)(iii)(A), 2.5(d)(iii)(B) and 2.5(d)(iii)(C), below;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award (i) of the same type (e.g., performance shares) as the Replaced Award, (ii) that has a value at least equal to the value of the Replaced Award, (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control, (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award, and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 2.5(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 2.5 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 3.
Other Terms and Conditions

3.1 Non-Compete and Confidentiality.

(a) The Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause the Participant to forfeit the right to Performance Shares and require the Participant to reimburse the Company for the taxable income received on Performance Shares that become payable to the Participant.

ARTICLE 4.
Acknowledgments

4.1 Acknowledgments. In accepting the Award, the Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Performance Shares is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Shares, or benefits in lieu of Performance Shares, even if Performance Shares have been granted in the past;

(c) All decisions with respect to future Performance Shares or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Performance Share award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Performance Shares resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Shares to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Performance Shares shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Performance Shares;

(j) The Performance Shares and the Shares subject to the Performance Shares, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(k) The Company reserves the right to impose other requirements on participation in the Performance Shares and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing; and

(l) The Performance Shares and any related benefit or compensation under this Agreement is subject to the Company's Clawback Policy (or any other applicable recoupment, recapture, clawback or recovery policy of the Company as adopted by the Board or the Committee and in effect from time to time), a copy of which is available upon request.

ARTICLE 5.
General Provisions

5.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided further, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

5.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that Performance Shares are paid in accordance with Section 2.4, the Participant will be entitled to dividend equivalents on Performance Shares Earned equal to the cash dividend or distribution that would have been paid on the Performance Shares Earned had the Performance Shares Earned been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Performance Shares to which they relate, and (b) will be denominated and payable solely in cash.

5.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant’s participation in the Plan in connection with the Participant’s Performance Shares (or dividend equivalents, if any), including, without limitation, any tax liability associated with the grant or vesting of the Performance Shares or sale of the underlying Shares (the “Tax Liability”). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant’s sole responsibility and liability. The Participant acknowledges that the Company’s obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Performance Shares; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company’s tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant’s wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

5.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or required to comply with Section 409A of the Code.

5.5 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

5.6 These Terms and Conditions Subject to Plan . The Performance Shares covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

5.7 Transferability. Except as otherwise provided in the Plan, the Performance Shares are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Performance Shares shall be null and void.

5.8 Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Performance Share award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company or Subsidiary may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Performance Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Performance Shares or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

5.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

5.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

5.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Performance Shares by electronic means. By accepting this Award of Performance Shares, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

5.12 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

5.13 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

5.14 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit D]

EXHIBITS

Exhibit A	Peer Group
Exhibit B	Performance Objectives
Exhibit C	Relative Total Shareholder Return
Exhibit D	Electronic Acceptance

Exhibit A

PEER GROUP
(2015 – 2017)

The Peer Group will be the constituents as defined by the SPDR Metals and Mining ETF Index on the last day of trading of the Incentive Period.

The value of the stock of a Peer Group company will be determined in accordance with the following:

1. If the stock is listed on an exchange in the U.S. or Canada, then the value on such exchange will be used;

2. Otherwise, if the stock is traded in the U.S. as an American Depositary Receipt ("ADR"), then the value of the ADR will be used; or

3. Otherwise, the value on the exchange in the country where the company is headquartered will be used.

Exhibit B

PERFORMANCE OBJECTIVES
(2015 – 2017)

The Performance Objective of the Company is based on Relative Total Shareholder Return (share price plus reinvested dividends) over the three-year Incentive Period from January 1, 2015 to December 31, 2017. Achievement of the Relative Total Shareholder Return objective shall be determined by the Total Shareholder Return of the Company relative to that of the Peer Group, interpolating where necessary. Achievement shall be determined against the scale set forth in the table below:

	Performance Level		
Performance Factor	Threshold	Target	Maximum
Relative TSR	35th percentile	55th percentile	75th percentile
Payout For Relative TSR	50%	100%	200%

Exhibit C

RELATIVE TOTAL SHAREHOLDER RETURN
(2015 – 2017)

Relative Total Shareholder Return for the Incentive Period is calculated as follows:

1. The Total Shareholder Return as defined in Section 1.8 of these terms and conditions for the Incentive Period for the Company shall be compared to the Total Shareholder Return for each of the entities within the Peer Group for the Incentive Period. The results shall be ranked to determine the Company's Relative Total Shareholder Return percentile ranking compared to the Peer Group.

2. The Company's Relative Total Shareholder Return for the Incentive Period shall be compared to the Relative Total Shareholder Return Performance target range established for the Incentive Period.

3. The Relative Total Shareholder Return performance target range has been established for the 2015 - 2017 Incentive Period as follows:

Performance Level	2015 – 2017 Relative Total Shareholder Return Percentile Ranking
Maximum	75th Percentile
Target	55th Percentile
Threshold	35th Percentile

Exhibit D

ELECTRONIC ACCEPTANCE

Acceptance by the Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

EXHIBIT 10.72

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

RESTRICTED SHARE UNIT AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Grant Price:	**GRANT PRICE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Vesting Dates:	**1/3 of the Restricted Share Units shall Vest on December 31, 2015**
	1/3 of the Restricted Share Units shall Vest on December 31, 2016
	1/3 of the Restricted Share Units shall Vest on December 31, 2017 (each such Vesting date, a "Vesting Date")

Additional terms and conditions of your Award are included in the Restricted Share Unit Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Restricted Share Unit Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Restricted Share Unit Award Agreement

This Restricted Share Unit Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Restricted Share Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs the Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to the Participant Restricted Share Units representing the opportunity to earn a number of the Company's common shares, $0.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.
Grant and Terms of Restricted Share Units

1.1 Grant of Restricted Share Units. Pursuant to the Plan, the Company has granted to Participant the number of Restricted Share Units as specified in the Award Memorandum, with dividend equivalents ("Restricted Share Units"), effective as of the Date of Grant.

1.2 Vesting As Condition of Payment. The Restricted Share Units covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion) equal in number to the Restricted Share Units to the extent the Participant is "Vested" in the Restricted Share Units on the date the Restricted Share Units are to be paid as specified in Section 1.3. The Restricted Share Units will become Vested as follows:

(a) Employment Through Each Vesting Date. The Participant will become Vested in one-third (1/3) of the Restricted Share Units subject to this Award on each Vesting Date, as set forth in the Award Memorandum, if the Participant remains in the continuous employ of the Company or Subsidiary through each such Vesting Date. The period beginning on the Date of Grant and ending on the final Vesting Date shall be the "Vesting Period."

(b) Death or Disability. The Participant will become 100% Vested in the Restricted Share Units subject to this Award that are not otherwise Vested, if the Participant experiences a termination of employment with the Company because of the Participant's death or Disability during the Vesting Period.

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of Retirement or a termination of employment by the Company without Cause during the Vesting Period, the Participant shall additionally become Vested in a prorated number of the Restricted Share Units calculated by multiplying one-third (1/3) of the Restricted Share Units subject to this Award by a fraction, the numerator of which is the number of full months the Participant was employed with the Company or a Subsidiary between the January 1 of the year in which the

termination occurred and the date of the Participant's termination of employment, and the denominator of which is 12, rounded down to the nearest whole Restricted Share Unit.

(d) Change in Control. In the event of a Change in Control (as defined in Section 1.4) during the Vesting Period, the Participant will become Vested in the Restricted Share Units that are not otherwise Vested only to the extent provided in Section 1.4.

In the event the Participant otherwise terminates employment prior to becoming Vested in all of the Restricted Share Units or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Restricted Share Units that were granted under the Agreement and were not Vested at the time of such termination of employment.

1.3 Payment of Restricted Share Units.

(a) Payment After a Vesting Date. Subject to Sections 1.3(b) and (d), the Restricted Share Units that are Vested as of each Vesting Date shall be paid within 2-½ months following the applicable Vesting Date.

(b) Payment After Death. Notwithstanding Section 1.3(a), if the Participant experiences a termination of employment with the Company because of the Participant's death during the Vesting Period, the Vested Restricted Shares Units will be paid within 30 days following the date of termination. Any payment of Restricted Share Units to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(c) Payment After Disability, Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of the Participant's Disability, Retirement, or a termination of employment by the Company without Cause during the Vesting Period, the Vested Restricted Shares Units shall be paid in accordance with Section 1.3(a).

(d) Change in Control. Notwithstanding Section 1.3(a), to the extent any Restricted Share Units are Vested as of a Change in Control, such Vested Restricted Share Units will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3.

(e) Payment Following a Change in Control. Notwithstanding Sections 1.2 and 1.3(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Restricted Share Units that are Vested as of the date of such termination of employment shall be paid in cash (pursuant to Section 1.4(f)) within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the Restricted Share Units will be made on the tenth business day of the seventh month after the date of the Participant's termination of employment or, if earlier, the date of the Participant's death.

(f) General. The Committee, in its sole discretion, may settle the Restricted Share Units in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Restricted Share Units shall be paid in cash, the cash equivalent of one Restricted Share Unit shall be equal to the Fair Market Value of one Share on the last trading day of the Vesting Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Restricted Share Units granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines ("Share Ownership Guidelines") unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 4.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Restricted Share Units, before income tax withholding, so that they cannot be sold by the Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(g) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Restricted Share Units to the Participant. The Restricted Share Units covered by this Agreement that have not yet been earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 1.3(b).

1.4 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary through the period beginning on January 1, 2015 and ending on the date of a Change in Control, the Participant will become 100% Vested in the Restricted Share Units not otherwise Vested subject to the Award upon the Change in Control, except to the extent that an award meeting the requirements of Section 1.4(e) (a “Replacement Award”) is provided to the Participant in accordance with Section 1.4(e) to replace, adjust or continue the award of Restricted Share Units covered by this Agreement (the “Replaced Award”). If a Replacement Award is provided, references to Restricted Share Units in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the “Successor”) by reason of the Participant terminating employment for Good Reason or the Successor terminating the Participant’s employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Share Units that at the time of the Change in Control are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in Section 1.3(b).

(d) For purposes of this Agreement, a “Change in Control” means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.4(d)(iii)(A), 1.4(d)(iii)(B) and 1.4(d)(iii)(C), below;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based restricted share units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of

whether the conditions of this Section 1.4(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 1.4 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.
Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(e) The Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(f) Failure to comply with subsection (a) above will cause the Participant to forfeit the right to Restricted Share Units and require the Participant to reimburse the Company for the taxable income received on Restricted Share Units that have been paid out in Shares within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.
Acknowledgements

3.1 Acknowledgments. In accepting the Award, the Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Restricted Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

(c) All decisions with respect to future Restricted Share Units or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Restricted Share Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Share Units resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Restricted Share Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Restricted Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Restricted Share Units;

(j) The Restricted Share Units and the Shares subject to the Restricted Share Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(k) The Company reserves the right to impose other requirements on participation in the Restricted Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.
General Provisions

4.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that the Restricted Share Units are paid in accordance with Section 1.3, the Participant will be entitled to dividend equivalents on Restricted Share Units equal to the cash dividend or distribution that would have been paid on the Restricted Share Units had the Restricted Share Units been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Share Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan in connection with the Participant's Restricted Share Units (or dividend equivalents, if any), without limitation, any tax liability associated with the grant or vesting of the Restricted Share Units or sale of the underlying Shares (the "Tax Liability"). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant's sole responsibility and liability. The Participant acknowledges that the Company's obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Restricted Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant's wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.5 **Relation to Other Benefits**. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.6 **These Terms and Conditions Subject to Plan** . The Restricted Share Units covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.7 **Transferability**. Except as otherwise provided in the Plan, the Restricted Share Units are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Restricted Share Units shall be null and void.

4.8 **Data Privacy**. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Restricted Share Unit award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company or Subsidiary may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Restricted Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

4.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Units by electronic means. By accepting this Award of Restricted Share Units, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.12 **Appendix to Agreement**. Notwithstanding any provisions of this Agreement to the contrary, the Restricted Share Units shall be subject to such special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in the appendix to this Agreement (the "Appendix"). Further, if the Participant transfers residency and/or employment to another country, any special terms and conditions for such country will apply to the Restricted Share Units to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Restricted Share Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate a transfer). In all circumstances, the Appendix shall constitute part of this Agreement.

4.13 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.14 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.15 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A

ELECTRONIC ACCEPTANCE

Acceptance by the Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

APPENDIX FOR NON-U.S. PARTICIPANTS
ADDITIONAL TERMS AND CONDITIONS TO RESTRICTED SHARE UNIT AWARD AGREEMENT

Terms and Conditions

This Appendix includes the following additional terms and conditions that govern Restricted Share Unit Awards granted to Participants under the Cliffs Natural Resources, Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan") who reside and/or work outside of the United States in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Restricted Share Unit Award Agreement that relates to a Participant's award. By accepting an award, Participants agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to a Participant and a Participant's award.

Notifications

This Appendix also includes notifications regarding exchange controls and other regulatory issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information herein is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Restricted Share Units vest, or the Shares are delivered or cash paid in settlement of the Restricted Share Units, or the Participant sells any Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company, its Subsidiaries or Affiliates, nor the Company's stock plan administrator ("Administrator") is in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country of residence and/or work may apply to the Participant's situation.

Finally, if the Participant transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes following the Date of Grant, the notifications contained herein may not be applicable to the Participant, and the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Terms and Conditions Applicable to All Non-U.S. Jurisdictions

<u>English Language</u>. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, rules, procedures, forms, notices and legal proceedings entered into, given or instituted pursuant to the Restricted Share Units, be drawn up in English. If the Participant has received this Agreement, the Plan or any other Agreement rules, procedures, forms or documents related to the Restricted Share Unit award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise provided herein.

<u>Compliance with Laws; Repatriation</u>. The Participant agrees, as a condition of the grant of the Restricted Share Unit award, to repatriate all payments attributable to the Restricted Share Units and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents (if any), and any proceeds derived from the sale of the Shares acquired pursuant to the Agreement) in accordance with all foreign exchange rules and regulations applicable to the Participant. The Company, Subsidiaries, Affiliates and the Administrator reserve the right to impose other requirements on the Participant's participation in the Plan,

on the Restricted Share Units and on any Shares acquired or cash payments made pursuant to the Agreement, to the extent the Company, its Subsidiaries or Affiliates or the Administrator determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

Private Placement. The grant of the Restricted Share Units is not intended to be a public offering of securities in the Participant's country of residence and/or employment but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Share Units is not subject to the supervision of the local securities authorities.

Responsibility for Taxes & Withholding. Regardless of any action the Company or any of its Subsidiaries or Affiliates takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries or Affiliates. The Participant further acknowledges that the Company and/or its Subsidiaries or Affiliates (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Restricted Share Units, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares or cash upon settlement of the Restricted Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents (if any); and (2) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries or Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries or Affiliates to satisfy all Tax-Related Items. In this regard, to the extent permitted under applicable law, the Participant authorizes the Company and/or its Subsidiaries or Affiliates, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) Withholding in Shares to be issued or cash to be paid upon vesting/settlement of the Restricted Share Units; or

(b) Withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries or Affiliates; or

(c) Withholding from proceeds of the Shares acquired upon vesting/settlement of the Restricted Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company and/or its Subsidiaries or Affiliates may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Restricted Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

Finally, the Participant shall pay to the Company and/or its Subsidiaries or Affiliates any amount of Tax-Related Items that the Company and/or its Subsidiaries or Affiliates may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

Australia

Terms and Conditions

Securities Law Notice. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Notifications

There are no country-specific notifications.

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China

Terms and Conditions

Settlement in Cash. Notwithstanding any provision in the Agreement or Plan to the contrary, Restricted Share Units will be settled in the form of a local cash payment unless, at the time of delivery, Share settlement does not trigger the need for any approval from and/or filing with the State Administration of Foreign Exchange (SAFE)**.**

Exchange Control Restriction. The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with legal requirements in China.

Notifications

There are no country-specific notifications.

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Japan

Terms and Conditions

Article 2 shall not apply to a grant of Restricted Share Units to a Participant in Japan.

Notifications

Exchange Control Information**.** If a Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, the Participant must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the Shares.

EXHIBIT 10.73

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

RESTRICTED SHARE UNIT AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**GRANT DATE**
Grant Price:	**GRANT PRICE**
Number of Shares Subject to Award:	**SHARES GRANTED**
Vesting Dates:	**1/3 of the Restricted Share Units shall Vest on December 31, 2015**
	1/3 of the Restricted Share Units shall Vest on December 31, 2016
	1/3 of the Restricted Share Units shall Vest on December 31, 2017 (each such Vesting date, a "Vesting Date")

Additional terms and conditions of your Award are included in the Restricted Share Unit Award Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 90 calendar days of your Date of Grant. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award may be forfeited and immediately terminate.

Note: Article 2.1 of the Restricted Share Unit Award Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

CLIFFS NATURAL RESOURCES INC.
AMENDED AND RESTATED 2012 INCENTIVE EQUITY PLAN

Restricted Share Unit Award Agreement

This Restricted Share Unit Award Agreement (the " Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the " Company"), and you, the person named in the Restricted Share Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means the entity (the Company or Subsidiary) that employs the Participant on the applicable date. This Agreement is effective as of the Date of Grant set forth in the Award Memorandum.

The Company wishes to award to the Participant Restricted Share Units representing the opportunity to earn a number of the Company's common shares, $0.125 par value per share (the "Shares"), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan"). All capitalized terms not defined in this Agreement shall have the same meaning as set forth in the Plan. See Article 1 of the Plan for a list of defined terms.

In the event of a conflict between the terms of this Agreement, the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

ARTICLE 1.
Grant and Terms of Restricted Share Units

1.1 Grant of Restricted Share Units. Pursuant to the Plan, the Company has granted to Participant the number of Restricted Share Units as specified in the Award Memorandum, with dividend equivalents ("Restricted Share Units"), effective as of the Date of Grant.

1.2 Vesting As Condition of Payment. The Restricted Share Units covered by this Agreement and these terms and conditions shall only result in the issuance of Shares (or cash or a combination of Shares and cash, as decided by the Committee in its sole discretion) equal in number to the Restricted Share Units to the extent the Participant is "Vested" in the Restricted Share Units on the date the Restricted Share Units are to be paid as specified in Section 1.3. The Restricted Share Units will become Vested as follows:

(a) Employment Through Each Vesting Date. The Participant will become Vested in one-third (1/3) of the Restricted Share Units subject to this Award on each Vesting Date, as set forth in the Award Memorandum, if the Participant remains in the continuous employ of the Company or Subsidiary through each such Vesting Date. The period beginning on the Date of Grant and ending on the final Vesting Date shall be the "Vesting Period."

(b) Death or Disability. The Participant will become 100% Vested in the Restricted Share Units subject to this Award that are not otherwise Vested, if the Participant experiences a termination of employment with the Company because of the Participant's death or Disability during the Vesting Period.

(c) Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of Retirement or a termination of employment by the Company without Cause during the Vesting Period, the Participant shall additionally become Vested in a prorated number of the Restricted Share Units calculated by multiplying one-third (1/3) of the Restricted Share Units subject to this Award by a fraction, the numerator of which is the number of full months the Participant was employed with the Company or a Subsidiary between the January 1 of the year in which the

termination occurred and the date of the Participant's termination of employment, and the denominator of which is 12, rounded down to the nearest whole Restricted Share Unit.

(d) Change in Control. In the event of a Change in Control (as defined in Section 1.4) during the Vesting Period, the Participant will become Vested in the Restricted Share Units that are not otherwise Vested only to the extent provided in Section 1.4.

In the event the Participant otherwise terminates employment prior to becoming Vested in all of the Restricted Share Units or the Participant's employment is terminated by the Company for Cause, the Participant shall forfeit all rights to any Restricted Share Units that were granted under the Agreement and were not Vested at the time of such termination of employment.

1.3 Payment of Restricted Share Units.

(a) Payment After a Vesting Date. Subject to Sections 1.3(b) and (d), the Restricted Share Units that are Vested as of each Vesting Date shall be paid within 2-½ months following the applicable Vesting Date.

(b) Payment After Death. Notwithstanding Section 1.3(a), if the Participant experiences a termination of employment with the Company because of the Participant's death during the Vesting Period, the Vested Restricted Shares Units will be paid within 30 days following the date of termination. Any payment of Restricted Share Units to a deceased Participant shall be paid to the estate of the Participant, unless the Participant files a completed Designation of Death Beneficiary with the Company in accordance with its procedures.

(c) Payment After Disability, Retirement or Termination without Cause. If the Participant experiences a termination of employment with the Company because of the Participant's Disability, Retirement, or a termination of employment by the Company without Cause during the Vesting Period, the Vested Restricted Shares Units shall be paid in accordance with Section 1.3(a).

(d) Change in Control. Notwithstanding Section 1.3(a), to the extent any Restricted Share Units are Vested as of a Change in Control, such Vested Restricted Share Units will be paid within 10 days of the Change in Control; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3.

(e) Payment Following a Change in Control. Notwithstanding Sections 1.2 and 1.3(a), if, during the two-year period following a Change in Control, the Participant experiences a termination of employment, the Restricted Share Units that are Vested as of the date of such termination of employment shall be paid in cash (pursuant to Section 1.4(f)) within 10 days of the termination of employment to the extent they have not been previously paid to the Participant; provided, however, that if such Change in Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.3. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the Restricted Share Units will be made on the tenth business day of the seventh month after the date of the Participant's termination of employment or, if earlier, the date of the Participant's death.

(f) General. The Committee, in its sole discretion, may settle the Restricted Share Units in cash or a combination of Shares and cash, in lieu of issuing only Shares. In the event that all or any portion of the Restricted Share Units shall be paid in cash, the cash equivalent of one Restricted Share Unit shall be equal to the Fair Market Value of one Share on the last trading day of the Vesting Period or, if earlier, the trading day immediately prior to the payment date. Notwithstanding the foregoing, no Restricted Share Units granted hereunder may be paid in cash in lieu of Shares to any Participant who is subject to the Cliffs Natural Resources Inc. Directors' and Officers' Share Ownership Guidelines ("Share Ownership Guidelines") unless and until such Participant is either in compliance with, or no longer subject to, such Share Ownership Guidelines; provided, however, that the Committee may withhold Shares to the extent necessary to satisfy income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related item withholding requirements, as described in Section 4.3. In addition, the Committee may restrict 50% of the Shares to be issued in satisfaction of the total Restricted Share Units, before income tax withholding, so that they cannot be sold by the Participant unless immediately after such sale the Participant is in compliance with the Share Ownership Guidelines that are applicable to the Participant at the time of sale.

(g) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Restricted Share Units to the Participant. The Restricted Share Units covered by this Agreement that have not yet been earned, and any interests of the Participant with respect thereto, are not transferable other than pursuant to the laws of descent and distribution, or in accordance with Section 1.3(b).

1.4 Change in Control Vesting.

(a) If the Participant remains in the continuous employ of the Company or Subsidiary through the period beginning on January 1, 2015 and ending on the date of a Change in Control, the Participant will become 100% Vested in the Restricted Share Units not otherwise Vested subject to the Award upon the Change in Control, except to the extent that an award meeting the requirements of Section 1.4(e) (a “Replacement Award”) is provided to the Participant in accordance with Section 1.4(e) to replace, adjust or continue the award of Restricted Share Units covered by this Agreement (the “Replaced Award”). If a Replacement Award is provided, references to Restricted Share Units in this Agreement shall be deemed to refer to the Replacement Award after the Change in Control.

(b) If, upon or after receiving a Replacement Award, the Participant experiences a termination of employment with the Company or Subsidiary of the Company (or any of their successors) (as applicable, the “Successor”) by reason of the Participant terminating employment for Good Reason or the Successor terminating the Participant’s employment other than for Cause, in each case within a period of two years after the Change in Control and during the Vesting Period, the Participant shall become 100% Vested in the Replacement Award upon such termination.

(c) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Share Units that at the time of the Change in Control are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change in Control and will be paid as provided for in Section 1.3(b).

(d) For purposes of this Agreement, a “Change in Control” means:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (x) the then-outstanding Shares (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 1.4(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 1.4(d)(iii)(A), 1.4(d)(iii)(B) and 1.4(d)(iii)(C), below;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company.

(e) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based restricted share units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of

whether the conditions of this Section 1.4(e) are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(f) A termination "for Cause" for purposes of Section 1.4 means that, prior to termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Successor; (ii) intentional wrongful damage to property of the Successor; (iii) intentional wrongful disclosure of secret processes or confidential information of the Successor; or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Successor. For purposes of this definition, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor.

(g) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

(ii) a material diminution in the Participant's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Participant must perform services;

(iv) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(v) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

ARTICLE 2.
Other Terms and Conditions

2.1 Non-Compete and Confidentiality.

(a) The Participant shall not render services for any organization or engage directly or indirectly in any business that is a competitor of the Company or any Affiliate of the Company, or which organization or business is or plans to become prejudicial to or in conflict with the business interests of the Company or any Affiliate of the Company or distribute any secret or confidential information belonging to the Company or any Affiliate of the Company.

(b) Failure to comply with subsection (a) above will cause the Participant to forfeit the right to Restricted Share Units and require the Participant to reimburse the Company for the taxable income received on Restricted Share Units that have been paid out in Shares within the 90-day period preceding the Participant's termination of employment.

ARTICLE 3.
Acknowledgments

3.1 Acknowledgments. In accepting the Award, the Participant acknowledges, understands and agrees to the following:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Restricted Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been granted in the past;

(c) All decisions with respect to future Restricted Share Units or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Plan is voluntary;

(e) The Restricted Share Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Share Units resulting from the Participant ceasing to provide employment or other services to the Company or a Subsidiary (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Restricted Share Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to bring any such claim, and releases the Company and its Subsidiaries from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(h) Neither the Plan nor the Restricted Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist;

(i) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Restricted Share Units;

(j) The Restricted Share Units and the Shares subject to the Restricted Share Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(k) The Company reserves the right to impose other requirements on participation in the Restricted Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable rules or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ARTICLE 4.
General Provisions

4.1 Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Agreement and these terms and conditions, the Company shall not be obligated to issue any Shares pursuant to the Agreement and these terms and conditions if the issuance or payment thereof would result in a violation of any such law; provided, however, that the Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Shares will not cause such violation.

4.2 Dividend Equivalents. During the period beginning on the Date of Grant and ending on the date that the Restricted Share Units are paid in accordance with Section 1.3, the Participant will be entitled to dividend equivalents on Restricted Share Units equal to the cash dividend or distribution that would have been paid on the Restricted Share Units had the Restricted Share Units been issued and outstanding Shares on the record date for the dividend or distribution. Such accrued dividend equivalents (a) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Share Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 Withholding Taxes. The provisions of Article 18.3 of the Plan shall apply to the extent that the Company or Subsidiary is required to withhold income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan in connection with the Participant's Restricted Share Units (or dividend equivalents, if any), without limitation, any tax liability associated with the grant or vesting of the Restricted Share Units or sale of the underlying Shares (the "Tax Liability"). These requirements may change from time to time as laws or interpretations change. Regardless of the Company or Subsidiaries' actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant's sole responsibility and liability. The Participant acknowledges that the Company's obligation to issue or deliver Shares or pay cash shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Committee, withholding obligations shall be satisfied by having the Company or one if its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued or cash payable to the Participant upon settlement of the vested Restricted Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant's wages or other cash compensation paid to the Participant. If the Company does not elect to have withholding obligations satisfied by either withholding Shares, from the cash payable, or by deduction from the Participant's wages or other compensation paid to the Participant, the Participant agrees to pay the Company or Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or Subsidiary.

4.4 Continuous Employment. For purposes of this Agreement, the continuous employment of the Participant with the Company shall not be deemed to have been interrupted, and the Participant shall not be deemed to have separated from service with the Company, by reason of the transfer of his employment among the Company or Subsidiaries or an approved leave of absence, unless otherwise indicated in the Plan or if required to comply with Section 409A of the Code.

4.5 Relation to Other Benefits. Any economic or other benefit to the Participant under the Agreement and these terms and conditions or the Plan shall not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or Subsidiary.

4.6 These Terms and Conditions Subject to Plan. The Restricted Share Units covered under the Agreement and all of the terms and conditions hereof are subject to all of the terms and conditions of the Plan, a copy of which is available upon request.

4.7 Transferability. Except as otherwise provided in the Plan, the Restricted Share Units are non-transferable and any attempts to assign, pledge, hypothecate or otherwise alienate or encumber (whether by law or otherwise) any Restricted Share Units shall be null and void.

4.8 Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Restricted Share Unit award materials by and among, as applicable, the Company or Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Company or Subsidiary may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares of or directorships in the Company that are held, details of all Restricted Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

The Participant understands that Data will be transferred to the Company's broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients' use of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company's broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participants' participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands if he or she resides outside the United States, he or she may, at any time, view their respective Data, request additional information about the storage and processing of their Data, require any necessary amendments to their Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Restricted Share Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

4.9 **Amendments**. This Agreement can be amended at any time by the Committee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Except for amendments necessary to bring this Agreement into compliance with current law including Code Section 409A, no amendment to this Agreement shall materially and adversely affect the rights of the Participant without the Participant's written consent.

4.10 **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

4.11 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Share Units by electronic means. By accepting this Award of Restricted Share Units, the Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.12 **Appendix to Agreement**. Notwithstanding any provisions of this Agreement to the contrary, the Restricted Share Units shall be subject to such special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in the appendix to this Agreement (the "Appendix"). Further, if the Participant transfers residency and/or employment to another country, any special terms and conditions for such country will apply to the Restricted Share Units to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Restricted Share Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate a transfer). In all circumstances, the Appendix shall constitute part of this Agreement.

4.13 **Headings**. Headings are given to the Articles of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

4.14 **Governing Law**. This Agreement is governed by, and subject to, the laws of the State of Ohio, without regard to the conflict of law provisions, as provided in the Plan.

4.15 **Code Section 409A**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Participant). The terms "termination of employment," "terminates employment," and similar words and phrases used in this Agreement mean a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h).

[Acceptance Page Contained in Exhibit A]

Exhibit A
ELECTRONIC ACCEPTANCE

Acceptance by the Participant

By selecting the "Accept Grant" box on the website of the Company's administrative agent, the Participant acknowledges acceptance of, and consents to be bound by, the Plan and this Agreement and any other rules, agreements or other terms and conditions incorporated herein by reference.

IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PARTICIPANT NAME	**ACCEPTANCE DATE**
Participant Name	**Date**
ELECTRONIC SIGNATURE	
Participant Signature	

APPENDIX FOR NON-U.S. PARTICIPANTS
ADDITIONAL TERMS AND CONDITIONS TO RESTRICTED SHARE UNIT AWARD AGREEMENT

Terms and Conditions

This Appendix includes the following additional terms and conditions that govern Restricted Share Unit Awards granted to Participants under the Cliffs Natural Resources, Inc. Amended and Restated 2012 Incentive Equity Plan (the "Plan") who reside and/or work outside of the United States in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Restricted Share Unit Award Agreement that relates to a Participant's award. By accepting an award, Participants agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to a Participant and a Participant's award.

Notifications

This Appendix also includes notifications regarding exchange controls and other regulatory issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information herein is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Restricted Share Units vest, or the Shares are delivered or cash paid in settlement of the Restricted Share Units, or the Participant sells any Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company, its Subsidiaries or Affiliates, nor the Company's stock plan administrator ("Administrator") is in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country of residence and/or work may apply to the Participant's situation.

Finally, if the Participant transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes following the Date of Grant, the notifications contained herein may not be applicable to the Participant, and the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Terms and Conditions Applicable to All Non-U.S. Jurisdictions

English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, rules, procedures, forms, notices and legal proceedings entered into, given or instituted pursuant to the Restricted Share Units, be drawn up in English. If the Participant has received this Agreement, the Plan or any other Agreement rules, procedures, forms or documents related to the Restricted Share Unit award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise provided herein.

Compliance with Laws; Repatriation. The Participant agrees, as a condition of the grant of the Restricted Share Unit award, to repatriate all payments attributable to the Restricted Share Units and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents (if any), and any proceeds derived from the sale of the Shares acquired pursuant to the Agreement) in accordance with all foreign exchange rules and regulations applicable to the Participant. The Company, Subsidiaries, Affiliates and the Administrator reserve the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Share Units and on any Shares acquired or cash payments made pursuant to the Agreement, to the extent the Company, its Subsidiaries or Affiliates or the Administrator determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.

Private Placement. The grant of the Restricted Share Units is not intended to be a public offering of securities in the Participant's country of residence and/or employment but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Share Units is not subject to the supervision of the local securities authorities.

Responsibility for Taxes & Withholding. Regardless of any action the Company or any of its Subsidiaries or Affiliates takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries or Affiliates. The Participant further acknowledges that the Company and/or its Subsidiaries or Affiliates (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Restricted Share Units, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares or cash upon settlement of the Restricted Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents (if any); and (2) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries or Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries or Affiliates to satisfy all Tax-Related Items. In this regard, to the extent permitted under applicable law, the Participant authorizes the Company and/or its Subsidiaries or Affiliates, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) Withholding in Shares to be issued or cash to be paid upon vesting/settlement of the Restricted Share Units; or

(b) Withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries or Affiliates; or

(c) Withholding from proceeds of the Shares acquired upon vesting/settlement of the Restricted Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company and/or its Subsidiaries or Affiliates may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Restricted Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

Finally, the Participant shall pay to the Company and/or its Subsidiaries or Affiliates any amount of Tax-Related Items that the Company and/or its Subsidiaries or Affiliates may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

Australia

Terms and Conditions

Securities Law Notice. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Notifications

There are no country-specific notifications.

****

China

Terms and Conditions

Settlement in Cash. Notwithstanding any provision in the Agreement or Plan to the contrary, Restricted Share Units will be settled in the form of a local cash payment unless, at the time of delivery, Share settlement does not trigger the need for any approval from and/or filing with the State Administration of Foreign Exchange (SAFE)**.**

Exchange Control Restriction. The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with legal requirements in China.

Notifications

There are no country-specific notifications.

****

Japan

Terms and Conditions

Article 2 shall not apply to a grant of Restricted Share Units to a Participant in Japan.

Notifications

Exchange Control Information**.** If a Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, the Participant must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the Shares.

EXHIBIT 10.86

EXECUTION VERSION

AMENDMENT NO. 6 TO AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT

AMENDMENT NO. 6 TO AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT dated as of January 22, 2015 (this " **Amendment**") to the Amended and Restated Multicurrency Credit Agreement dated as of August 11, 2011 (as heretofore amended or modified by Amendment No. 1 to Amended and Restated Multicurrency Credit Agreement, dated October 16, 2012, among the Company, the Administrative Agent, JP Morgan and the Required Lenders party thereto ("**Amendment No. 1**"), Amendment No. 2 to Amended and Restated Multicurrency Credit Agreement, dated February 8, 2013, among the Company, the Administrative Agent, JP Morgan and the Required Lenders party thereto ("**Amendment No. 2**"), Amendment No. 3 to Amended and Restated Multicurrency Credit Agreement, dated June 30, 2014, among the Company, the Administrative Agent, JP Morgan and the Required Lenders party thereto ("**Amendment No. 3**"), Amendment No. 4 to Amended and Restated Multicurrency Credit Agreement, dated September 9, 2014, among the Company, the Administrative Agent, JP Morgan and the Required Lenders party thereto ("**Amendment No. 4**"), Amendment No. 5 to Amended and Restated Multicurrency Credit Agreement, dated October 24, 2014, among the Company, the Administrative Agent, JP Morgan and the Required Lenders party thereto ("**Amendment No. 5**") and Consent, dated as of November 20, 2014 (the " **Consent**"; and together with Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and Amendment No. 5, the "**Prior Amendments**"), the "**Credit Agreement**") among CLIFFS NATURAL RESOURCES INC. (the " **Company**"), certain Foreign Subsidiaries of the Company from time to time party thereto, various Lenders from time to time party thereto and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "**Administrative Agent**"), JPMORGAN CHASE BANK, N.A., as Syndication Agent and L/C Issuer ("**JP Morgan**"), MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, J.P. MORGAN SECURITIES LLC, CITIGROUP GLOBAL MARKETS INC., PNC CAPITAL MARKETS INC. and U.S. BANK NATIONAL ASSOCIATION, as Joint Lead Arrangers and Joint Book Managers, and FIFTH THIRD BANK and CITIZENS BANK, N.A., as Co-Documentation Agents.

W I T N E S S E T H :

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth below;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Loan Documents shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

Section 2. *Amendments to Credit Agreement.* Effective on the Sixth Amendment Effective Date (as defined below), (a) the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto and (b) Schedule 1(a) to the Credit Agreement shall be replaced in its entirety by Schedule 1(a) attached hereto.

Section 3. *Amendment to Security Agreement.* Effective on the Sixth Amendment Effective Date, the Security Agreement shall be amended to (x) delete the words "As-extracted collateral and" from clause (D) of the first proviso to Section 3(a) thereof and (y) replace Schedule 1 thereto with Schedule 1 hereto. For purposes of Section 4(b) of the Security Agreement, the references to "each Original Grantor" and "as of the Effective Date" contained therein shall be deemed to be references to "each Grantor that has granted a Lien on any of its assets hereunder as of the Sixth Amendment Effective Date" and "as of the Sixth Amendment Effective Date", respectively.

Section 4. *Representations of Company.* The Company represents and warrants that, after giving effect to this Amendment, (i) each of the representations and warranties of the Loan Parties set forth in the Credit Agreement and in the other Loan Documents will be true and correct in all material respects on and as of the Sixth Amendment Effective Date (except to the extent the same expressly relate to an earlier date with respect to which such representations and warranties shall be true and correct in all material respects as to such earlier date) and (ii) no Default or Event of Default will have occurred and be continuing on such date.

Section 5. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 6. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 7. *Effectiveness.* This Amendment shall become effective on the date (" **Sixth Amendment Effective Date**") when the Administrative Agent shall have received:

(a) from each of the Company, the Guarantors and Lenders comprising the Required Lenders a counterpart hereof signed by such party;

(b) an amendment fee for the account of each Lender and such other fees as have been heretofore mutually agreed in writing; and

(c) the Company shall have paid all reasonable out-of-pocket expenses of the Administrative Agent invoiced to it at least one Business Day prior to the Sixth Amendment Effectiveness Date.

Section 8. *Guarantor Acknowledgement, Consent and Ratification*. Each Guarantor (including in its capacity as a Grantor under the Security Agreement) hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement, the Security Agreement and this Amendment and consents to the Amendment. Each Guarantor hereby confirms that (a) each Loan Document to which it is a party or by which it is otherwise bound will continue to guarantee, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of all "Obligations" under each of the Loan

Documents to which it is a party (in each case as such terms are defined in the applicable Loan Document), (b) each of the Loan Documents to which it is a party or by which it is otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment and (c) each of the Prior Amendments is hereby ratified in all respects.

Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to any amendments or waivers of the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any amendments or waivers of the Credit Agreement.

Section 9. *Release*. Effective as of the date hereof, the Loan Parties jointly and severally agree to release and hereby do release and discharge, the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons ("Bank Parties") of and from all damages losses, claims, demands, liabilities, obligations, actions and causes of actions whatsoever that each Loan Party has or claims to have against any Bank Party as of the date hereof and whether known or unknown at the time of this release, and of every nature and extent whatsoever on account of or in any way, directly or indirectly, touching, concerning, arising out of or founded upon the Loan Documents, in each case, arising on or before the date hereof.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

CLIFFS NATURAL RESOURCES INC.

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Executive Vice President, Chief Financial Officer and Treasurer

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer and Secretary

[SIGNATURE PAGE TO AMENDMENT NO. 6]

GUARANTORS

CLIFFS SALES COMPANY
CLIFFS MINNESOTA MINING COMPANY
CLIFFS NORTH AMERICAN COAL LLC
SILVER BAY POWER COMPANY
CLIFFS EMPIRE, INC.
CLIFFS EMPIRE HOLDING, LLC
CLIFFS TIOP, INC.
CLIFFS WEST VIRGINIA COAL INC.
NORTHSHORE MINING COMPANY
OAK GROVE RESOURCES LLC
PINNACLE MINING COMPANY, LLC
UNITED TACONITE LLC
CLIFFS UTAC HOLDING LLC

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Vice President and Treasurer

THE CLEVELAND-CLIFFS IRON COMPANY
CLIFFS TIOP HOLDING, LLC

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Treasurer

CLF PINNOAK LLC

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Senior Vice President, Chief Financial Officer and Treasurer

CLIFFS MINING COMPANY
CLIFFS PICKANDS HOLDING, LLC
CLIFFS MINING HOLDING, LLC
CLIFFS MINING HOLDING SUB COMPANY

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Executive Vice President, Chief Financial Officer and Treasurer

[SIGNATURE PAGE TO AMENDMENT NO. 6]

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Rosanne Parsill

Name: Rosanne Parsill

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6]

BANK OF AMERICA, N.A., as a Lender

By: /s/ James K.G. Campbell
Name: James K.G. Campbell
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Citibank, N.A.

By: /s/ David Jaffe

Name: David Jaffe

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6]

JPMorgan Chase Bank, N.A.

By: /s/ Peter S. Predun
Name: Peter S. Predun
Title: Executive Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

PNC BANK NATIONAL ASSOCIATION

By: /s/ Joseph G. Moran
Name: Joseph G. Moran
Title: Senior Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6]

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Mark Irey

Name: Mark Irey

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6]

CITIZENS BANK, N.A.

By: /s/ Carl S. Tabacjar, Jr.
Name: Carl S. Tabacjar, Jr.
Title: Vice President

If second signature is needed:

By: ________________________
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

FIFTH THIRD BANK, an Ohio banking corporation

By: /s/ Kevin F. Garvey
Name: Kevin F. Garvey
Title: Vice President

If second signature is needed:

By: N/A
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Mizuho Bank, Ltd.

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Bank of Montreal, Chicago Branch

By: /s/ Yacouba Kane
Name: Yacouba Kane
Title: Vice President

If second signature is needed:

By: ____________________
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

COMMONWEALTH BANK OF AUSTRALIA

By: /s/ Trent Hazelwood
Name: Trent Hazelwood
Title: Senior Associate

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Toronto Dominion (New York) LLC

By: /s/ Marie Fernandes
Name: Marie Fernandes
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Wells Fargo Bank, N.A.,

By: /s/ Michael J. Thomas
Name: Michael J. Thomas
Title: Senior Vice President

If second signature is needed:

By: ________________________
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

KEYBANK NATIONAL ASSOCIATION

By: /s/ Suzannah Valdivia
Name: SUZANNAH VALDIVIA
Title: VICE PRESIDENT

If second signature is needed:

By: ______________________
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

THE HUNTINGTON NATIONAL BANK

By: /s/ Bruce G. Shearer
Name: Bruce G. Shearer
Title: Senior Vice President

If second signature is needed:

By:
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

CIBC Inc.

By: /s/ Dominic Sorresso

Name: Dominic Sorresso

Title: Authorized Signatory

If second signature is needed:

By: /s/ Zhen Ma

Name: Zhen Ma

Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch

By: /s/ David Noda
Name: David Noda
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

CRÉDIT AGRICOLE CORPORATE AND
INVESTMENT BANK

By: /s/ Blake Wright
Name: /s/ Blake Wright
Title: Managing Director

By: /s/ James Austin
Name: James Austin
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Sumitomo Mitsui Banking Corporation

By: /s/ James D. Weinstein
Name: James D. Weinstein
Title: Managing Director

If second signature is needed:

By: ______________________
Name:
Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Australia and New Zealand Banking Group Limited

By: /s/ Robert Grillo
Name: Robert Grillo
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

NATIONAL AUSTRALIA BANK

By: /s/ James Macdonald

Name: James Macdonald

Title: Associate Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

WESTPAC BANKING CORPORATION

By: /s/ Richard Yarnold

Name: Richard Yarnold

Title: Senior Relationship Manager Corporate & Institutional Banking

If second signature is needed:

By: ______________________

Name:

Title:

[SIGNATURE PAGE TO AMENDMENT NO. 6]

MUFG Union Bank, N.A.

By: /s/ David Noda
Name: David Noda
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO. 6]

Exhibit A

Composite Conformed Copy
Reflecting Amendment No. 1 dated as of October 16, 2012,
Amendment No. 2 dated as of February 8, 2013,
Amendment No. 3 dated as of June 30, 2014
Amendment No. 4 dated as of September 9, 2014
Amendment No. 5 dated as of October 24, 2014
Consent dated as of November 20, 2014
Amendment No. 6 dated as of January 22, 2015

AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT

Among

CLIFFS NATURAL RESOURCES INC.

CERTAIN FOREIGN SUBSIDIARIES OF THE COMPANY FROM TIME TO TIME PARTY HERETO

VARIOUS LENDERS
FROM TIME TO TIME PARTY HERETO

and

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent and L/C Issuer,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
J.P. MORGAN SECURITIES LLC,
CITIGROUP GLOBAL MARKETS INC.,
PNC CAPITAL MARKETS INC.

and

U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Book Managers,

and

FIFTH THIRD BANK and CITIZENS BANK, N.A.,
as Co-Documentation Agents

DATED AS OF AUGUST 11, 2011

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"**Alternative Currency**" means (i) each of Australian Dollars, British Pounds, Canadian Dollars, Euros, Japanese Yen, New Zealand Dollars and Swiss Francs and (ii) each other currency (other than U.S. Dollars) that is approved in accordance with **Section 1.06**.

"**Alternative Currency Equivalent**" means, at any time, with respect to any amount denominated in U.S. Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with U.S. Dollars.

"**Alternative Currency Loan**" means a Loan denominated in an Alternative Currency. Alternative Currency Loans may be Revolving Loans or Swing Line Loans.

"**Amapa**" means Anglo Ferrous Amapá Mineração Ltda., a company organized under the Laws of Brazil.

"**Amapa Investment**" means, collectively, all Investments by the Company and its Subsidiaries in Amapa.

~~"**Applicable Adjusted Total Commitments**" is defined in **Section 2.01(a)** hereof.~~

"**Applicable Margin**" means, with respect to Loans, L/C Borrowings, and the commitment fees and Letter of Credit Fees payable under **Section 2.12** hereof, (a) from the Closing Date until the first Pricing Date, the rates per annum shown opposite Level IV below, and (b) thereafter, from one Pricing Date to the next, the rates per annum determined in accordance with the following schedule:

Level	Leverage Ratio For Such Pricing Date	Applicable Margin For Base Rate Loans And L/C Borrowings Shall Be:	Applicable Margin For Eurocurrency Loans And Letter Of Credit Fee Shall Be:	Applicable Margin For Commitment Fee Shall Be:
I	Less than 1.00 to 1.00	0.25%	1.00%	0.125%
II	Less than 1.50 to 1.00, but greater than or equal to 1.00 to 1.00	0.25%	1.25%	0.15%
III	Less than 2.00 to 1.00, but greater than or equal to 1.50 to 1.00	0.50%	1.50%	0.175%
IV	Less than 2.75 to 1.00, but greater than or equal to 2.00 to 1.00	0.75%	1.75%	0.20%
V	Less than 3.25 to 1.00, but greater than or equal to 2.75 to 1.00	1.00%	2.00%	0.25%

certificate for such Applicable Period, (ii) the Applicable Margin shall be determined based on the corrected compliance certificate for such Applicable Period, and (iii) the Borrowers shall promptly pay to the Administrative Agent (for the account of the Lenders during the Applicable Period or their successors and assigns) the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This paragraph shall survive the termination of this Agreement.

"**Applicable Time**" means, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"**Applicant Borrower**" has the meaning specified in **Section 2.14**.

"**Application**" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Arbitration Award**" means that certain arbitration award granted pursuant to Case No. 18209/VRO/AGF/ZF by the ICC International Court of Arbitration in favor of Worldlink Resources Limited against Cliffs Quebec Iron Mining ULC, The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake General Partner Limited.

"**Arrangement Agreement**" means that Arrangement Agreement, dated as of January 11, 2011, between the Company and CTIM, as amended, restated, supplemented or otherwise modified from time to time.

"**Arrangers**" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., PNC Capital Markets, Inc. and U.S. Bank National Association, in their respective capacities as joint lead arrangers and joint book managers.

"**Arranger Fee Letter**" means the Arranger Fee Letter, dated June 28, 2011, among the Company and the Commitment Parties (as defined therein), as amended by the Co-Arranger Commitment Letter, dated July 14, 2011, among the Company, the Initial Commitment Parties (as defined therein) and the Additional Commitment Parties (as defined therein).

"**Assignee Group**" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"**Canadian Entities**" means (a) Cliffs Quebec Iron Mining ULC (f/k/a Cliffs Quebec Iron Mining Limited), an unlimited liability company organized under the laws of British Columbia, Canada, (b) Wabush Iron Co. Limited, an Ohio corporation, (c) The Bloom Lake Iron Ore Mine Limited Partnership, a limited partnership formed under the laws of Ontario, (d) Bloom Lake General Partner Limited, an Ontario corporation, (e) Wabush Resources Inc., a corporation organized under the laws of Canada, (f) each other Restricted Subsidiary of the Company organized under the laws of Canada or any province thereof, including, for the avoidance of doubt, Wabush Mines, an unincorporated joint venture and Knoll Lake Minerals Limited, a company organized under the laws of Canada and (g) Northern Land Company Limited, a company organized under the laws of Newfoundland & Labrador.

"**Canadian Existing Indebtedness**" means any Indebtedness of the applicable Canadian Entities and the Company under (x) that certain Master Loan and Security Agreement, dated as of September 27, 2013, among Key Equipment Finance Inc., as lender and as administrative agent, The Bloom Lake Iron Ore Mine Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, Wabush Mines, an unincorporated joint venture of Wabush Iron Co. Limited and Wabush Resources Inc., by its managing agent, Cliffs Mining Company and each other person designated as a borrower from time to time pursuant to the terms thereof, and the other Account Documentation referred to in such Master Loan and Security Agreement, including all loan schedules thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time, and (y) the Corporate Guaranty dated September 27, 2013 provided by the Company in respect thereof, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Canadian Restructuring**" means all or any part of the transaction or event or series of transactions or events described to the Administrative Agent and the Lenders in that certain letter agreement, dated January 22, 2015, addressed to the Administrative Agent and the Lenders and acknowledged by the Administrative Agent, delivered by the Company on January 22, 2015, together with such changes, modifications and supplements thereto that are reasonably acceptable to the Administrative Agent.

"**Canadian Restructuring Commencement Date**" means the earliest date on which any of the transactions or events in the definition of Canadian Restructuring is initiated (it being understood that, in the case of any Canadian Entity, its Canadian Restructuring Commencement Date shall be the earliest date on which any of the transactions or events in the definition of Canadian Restructuring is initiated with respect to such Canadian Entity).

"**Capital Expenditures**" means, with respect to any Person for any period, the aggregate amount of all expenditures (whether paid in cash or accrued as a liability) by such Person during that period for the acquisition or leasing (pursuant to a Capital Lease) of fixed or capital assets or additions to property, plant, or equipment (including replacements and improvements) which should be capitalized on the balance sheet of such Person in accordance with GAAP.

shutdown, restructuring or other disposition of the Wabush mine and related facilities and operations in an aggregate amount not to exceed U.S. $100,000,000 (calculated on a cumulative basis for all periods) during the term of this Agreement and (B) additional cash restructuring charges in an aggregate amount not to exceed U.S. $100,000,000 (calculated on a cumulative basis for all periods) during the term of this Agreement ~~and~~, (vi) costs associated with the issuance of Indebtedness (whether or not consummated) (but excluding any such costs amortized through or otherwise included or to be included in Interest Expense for any period) and (vii) costs and expenses incurred during such period in connection with the Canadian Restructuring in an aggregate amount for all such costs and expenses during the life of this Agreement not to exceed $75,000,000, *minus*, without duplication, (b) the sum of (i) cash payments made during such period in respect of items added to the calculation of Net Income pursuant to clause (a)(iv) above during such period or any previous period, and (ii) non-cash items increasing Net Income for such period; *provided*, *however*, that, solely for the purposes of calculating compliance with **Section 6.18(a)**, EBITDA for any period shall (x) include the EBITDA for any Person or business unit that has been acquired by the Company or any of its Restricted Subsidiaries for any portion of such period prior to the date of acquisition, and (y) exclude the EBITDA for any Person or business unit that has been disposed of by the Company or any of its Restricted Subsidiaries for the portion of such period after the date of disposition. Notwithstanding the foregoing, for purposes of determining the EBITDA of CTIM for the fiscal quarters ending March 31, 2011, June 30, 2011 and September 30, 2011, such amount shall be calculated for the period from January 1, 2011 through the end of the relevant fiscal quarter then ending, as applicable, and multiplied by 4, 2 and 4/3, respectively.

"**Eligible Assignee**" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent, the Swing Line Lender and the L/C Issuers, and (ii) unless an Event of Default has occurred and is continuing, the Company (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include the Company or any of the Company's Affiliates or Subsidiaries.

"**EMU**" means the economic and monetary union in accordance with the Treaty of Rome 1957, as amended by the Single European Act 1986, the Maastricht Treaty of 1992 and the Amsterdam Treaty of 1998.

"**EMU Legislation**" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"**Environmental Claim**" means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of, or liability under, any Environmental Law, (b) in connection with any Hazardous Material, (c) from any

“**Fund**” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“**Funds Transfer and Deposit Account Liability**” means the liability of the Company or any of its Subsidiaries owing to any Person arising out of (a) the execution or processing of electronic transfers of funds by automatic clearing house transfer, wire transfer or otherwise to or from the deposit accounts of the Company and/or any Subsidiary now or hereafter maintained with any of the Lenders or their Affiliates, (b) the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, and (c) any other deposit, disbursement, and cash management services, including, without limitation, treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, merchant processing services and other cash management arrangements, in each case afforded to the Company or any such Subsidiary by any such Person that, at the time it enters into such arrangement, is a Lender or an Affiliate of a Lender; *provided* that any such liabilities incurred by any Canadian Entity from and after the Canadian Restructuring Commencement Date shall not constitute Funds Transfer and Deposit Account Liability.

“**Funding Date**” is defined in **Section 2.01(c)** hereof.

“**GAAP**” means generally accepted accounting principles as in effect in the United States as set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

“**Governmental Authority**” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guarantor**” means each Material Subsidiary (other than Cleveland Cliffs International Holding Company) from time to time party to a Guaranty in accordance with the provisions of **Article 4** hereof. As of the Closing Date, the Guarantors are The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Cliffs Sales Company, Northshore Mining Company, Cliffs Minnesota Mining Company, Cliffs North American Coal LLC, CLF PinnOak LLC, Silver Bay Power Company, Cliffs Empire, Inc., Cliffs TIOP, Inc., Cliffs Logan County Coal, LLC and Cliffs West Virginia Coal Inc.

“**Guaranty**” and “**Guaranties**” each is defined in **Section 4.01** hereof.

“**Hazardous Material**” means (a) any “**hazardous substance**” as defined in CERCLA and (b) any material classified or regulated as “ **hazardous**” or “**toxic**” or words of like import pursuant to an Environmental Law.

“**Hedge Agreement**” means any interest rate, currency or commodity swap agreements, cap agreements, collar agreements, floor agreements, exchange agreements, forward contracts, option contracts or similar interest rate or currency or commodity hedging arrangements.

“Hedging Liability” means the liability of the Company or any Subsidiary to any Person in respect of (i) any Hedge Agreement existing as of the Fifth Amendment Effective Date between the Company or such Subsidiary, as the case may be, and any such Person that is a Lender or an Affiliate of a Lender on the Fifth Amendment Effective Date and (ii) any Hedge Agreement as the Company or such Subsidiary, as the case may be, may from time to time after the Fifth Amendment Effective Date, enter into with any such Person that, at the time it enters into such Hedge Agreement, is a Lender or an Affiliate of a Lender; *provided* that any such liabilities incurred by any Canadian Entity from and after the Canadian Restructuring Commencement Date shall not constitute Hedging Liability.

“**Honor Date**” is defined in **Section 2.02(c)(i)** hereof.

“**Hybrid Securities**” means any trust preferred security, deferrable interest subordinated debt security, mandatory convertible debt security or other hybrid debt security issued by the Company or any of its Restricted Subsidiaries (or a trust or other entity formed by the Company or any of its Restricted Subsidiaries) that (a) is accorded at least some equity treatment by S&P and/or Moody’s at the time of issuance thereof, (b) if issued by any Loan Party, is expressly subordinate in right of payment to the Obligations, and (c) by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) does not mature (excluding any maturity as the result of an optional redemption by the issuer thereof) and is not mandatorily redeemable or subject to any mandatory repurchase requirement (except for any redemption or mandatory repurchase as the result of a change in control or event of default) at any time prior to the date that is six months after the Termination Date.

“**Indebtedness**” means for any Person (without duplication) (a) all indebtedness of such Person for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness for the deferred purchase price of Property or services, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such Property), (d) all indebtedness secured by a purchase money mortgage or other Lien to secure all or part of the purchase price of Property subject to such mortgage or Lien, (e) all obligations under leases which shall alternative branch or funding office with respect to its Eurocurrency Loans to reduce any liability of the Company to such Lender under **Section 8.04** hereof or to avoid the unavailability of Eurocurrency Loans under **Section 8.03** hereof, so long as such designation is not disadvantageous to the Lender. Without limitation of the foregoing, any Lender may, at its option, make any Loan available to any Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement.

"**Letter of Credit**" means any letter of credit issued hereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit; *provided*, that any commercial letter of credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft. Letters of Credit may be issued in Dollars or in an Alternative Currency.

"**Letter of Credit Expiration Date**" means the day that is 270 days after the Termination Date (or, if such day is not a Business Day, the next succeeding Business Day).

"**Letter of Credit Fee**" is defined in **Section 2.12(b)** hereof.

"**Leverage Ratio**" means, on any date, the ratio of Total Funded Debt on such date to EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

"**LIBOR**" means, for any Interest Period (x) with respect to a Eurocurrency Loan denominated in U.S. Dollars or in any Alternative Currency other than Canadian Dollars, the rate per annum equal to the London Interbank Offered Rate or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in U.S. Dollars or the relevant Alternative Currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period and (y) with respect to a Eurocurrency Loan denominated in Canadian Dollars, the rate per annum equal to the Canadian Dealer Offered Rate, or a comparable or successor rate which is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:00 a.m. (Toronto, Ontario time) on the first day of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent) (or if such day is not a Business Day, then on the immediately preceding Business Day; *provided* that, in each case of clauses (x) and (y), if such rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. If such rate is not available at such time for any reason, then the "**Eurocurrency Rate**" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in the relevant currency for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurocurrency Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch (or other Bank of America branch or Affiliate) to major banks in the London or other offshore interbank market for such currency at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; *provided* that if such rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"**Lien**" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"**Liquidity**" means, at any time, the sum of (x) the aggregate amount of unrestricted (other than Liens under the Loan Documents) cash and Cash Equivalents of the Loan Parties at such time plus (y) the aggregate amount of the unused Total Commitments ~~(or, if less, the unused Applicable Adjusted Total Commitments)~~.

"**Loan**" means any Revolving Loan or Swing Line Loan, whether outstanding as a Base Rate Loan or Eurocurrency Loan or otherwise as permitted hereunder, each of which is a "type" of Loan hereunder.

"**Loan Documents**" means this Agreement, the Notes, the Collateral Documents, the Issuer Documents, the Guaranties, the Fee Letters and each other instrument or document to be executed or delivered by the Company or any Restricted Subsidiary hereunder or thereunder or otherwise in connection therewith, other than Hedge Agreements.

"**Loan Party**" means the Company and each Guarantor.

"**Local Currency Swing Line Supplement**" means a written supplement to this Agreement entered into between the Company and the Swing Line Lender, with the written consent of the Administrative Agent.

"**Long-Dated Letter of Credit**" means any Letter of Credit having an expiry date later than the fifth Business Day prior to the Termination Date (but in no event later than the Letter of Credit Expiration Date).

"**Mandatory Cost**" means, with respect to any period, the percentage rate per annum determined in accordance with **Schedule 1(b)**.

"**Material Adverse Effect**" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property or condition (financial or otherwise) of the Company and its Restricted Subsidiaries taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any

Lender under any Loan Document, or of the ability of the Company or any Restricted Subsidiary to perform its material obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Company or any Restricted Subsidiary of any Loan Document to which it is a party~~.~~; *provided*, however, that in no event shall (x) the Canadian Restructuring or its effect on the Canadian Entities constitute a Material Adverse Effect unless it constitutes a Material Adverse Effect on the Company and its Restricted Subsidiaries (other than the Canadian Entities), taken as a whole, or (y) the failure of any Canadian Entity to repay any intercompany Indebtedness constitute a Material Adverse Effect.

"**Material Foreign Subsidiary**" shall mean and include (i) each Wholly-Owned Subsidiary which is a Foreign Subsidiary, except any Foreign Subsidiary that does not have (together with its Subsidiaries) (a) at the time of determination thereof, consolidated total assets that constitute more than 5% of the consolidated total assets of the Company and its Subsidiaries at such time and (b) consolidated gross revenues for any fiscal year of the Company ending on or after January 1, 2012, that constitute more than 5% of the consolidated gross revenues of the Company and its Subsidiaries during such fiscal year.

"Material Real Property" means any Real Property owned or leased by any Loan Party; *provided* that such Material Real Property may exclude (i) any individual parcel with a fair market value (as reasonably determined by the Company and reasonably acceptable to the Administrative Agent) not to exceed $25,000,000; *provided* that such parcel is not necessary to operate the relevant complex or facility associated with such parcel (as reasonably determined by the Company and reasonably acceptable to the Administrative Agent), (ii) any Real Property or interest therein used or held in connection with a mine owned by a joint venture of which a Loan Party is a party, to the extent that the joint venture agreement or other relevant agreement with the relevant joint venture partner prohibits (or requires the consent of a party other than the Company or any of its Subsidiaries with respect to) the creation of a security interest therein and (iii) any leasehold interest in the office headquarters of the Company located at 200 Public Square, Cleveland, Ohio 44114. In addition, the Administrative Agent may agree, in its sole discretion, to exclude from this definition of "Material Real Property" any Building (as defined in the applicable Flood Insurance Laws) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Laws). In such event, notwithstanding any provision in this Agreement, any Mortgage, or any other Collateral Document to the contrary, such Building or Manufactured (Mobile) Home shall not be included in this definition of "Material Real Property" and such Building or Manufactured (Mobile) Home shall not be encumbered by any Mortgage.

"**Material Subsidiary**" shall mean and include (i) each Wholly-Owned Subsidiary that is a Domestic Subsidiary, except any Wholly-Owned Subsidiary that is a Domestic Subsidiary and does not have (together with its Subsidiaries) (a) at the time of determination thereof, consolidated total assets that constitute more than 5% (or 10% if the date of determination is prior to January 1, 2012) of the consolidated total assets of the Company and its Subsidiaries at such time and (b) consolidated gross revenues for any fiscal year of the Company ending on or after January 1, 2012, that constitute more than 5% (or 10% for a fiscal year ending on December 31, 2010 or December 31, 2011) of the consolidated gross revenues of the Company and its Subsidiaries during such fiscal year~~,~~ and (ii~~) each Subsidiary that was an originator under the Permitted Securitization Financing and (iii~~) each Domestic Subsidiary that the Company has designated to the Administrative Agent in writing as a Material Subsidiary. As of the ~~Fifth~~Sixth Amendment Effective Date, the Material Subsidiaries are The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Cliffs Sales Company, Northshore Mining Company, Cliffs Minnesota Mining Company, Cliffs North American Coal LLC, CLF PinnOak LLC, Silver Bay Power Company, Cliffs Empire, Inc., Cliffs TIOP, Inc., Cleveland-Cliffs International Holding Company, Cliffs ~~Logan County Coal, LLC, Cliffs~~ West Virginia Coal Inc., Oak Grove Resources LLC, Pinnacle Mining Company, LLC, ~~Southern Eagle Land, LLC, Toney's Fork Land, LLC and~~ Cliffs UTAC Holding LLC, United Taconite LLC, Cliffs TIOP Holding, LLC, Cliffs Empire Holding, LLC, Cliffs Pickands Holding, LLC, Cliffs Mining Holding, LLC and Cliffs Mining Holding Sub Company.

"**Moody's**" means Moody's Investors Service, Inc. and any successor thereto.

"**Mortgage**" means a mortgage or deed of trust, deed to secure debt, trust deed or other security document entered into by the owner or lessee, as the case may be, of a Material Real Property in favor of the Administrative Agent for the benefit of the Secured Parties creating a Lien on such Material Real Property, substantially in such form as may be reasonably agreed between the Company and the Administrative Agent.

"**National Flood Insurance Program**" shall mean the program created by the U.S. Congress pursuant to the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, as revised by the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor statute thereto, that mandates the purchase of flood insurance to cover real property improvements located in Special Flood Hazard Areas in participating communities and provides protection to property owners through a U.S. federal insurance program.

"**Net Income**" means, with reference to any period, the net income (or net loss) of the Company and its Restricted Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; *provided* that (a) there shall be excluded from Net Income (i) the net income (or net loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary of, or has merged into or consolidated with, the Company or another Restricted Subsidiary and (ii) the net income (or net loss) of any Person (other than a Restricted Subsidiary) in which the Company or any of its Restricted Subsidiaries has an equity interest in, except to the extent of the amount of dividends or other distributions actually paid to the Company or any of its Restricted Subsidiaries during such period, and (b) solely for the purposes of calculating compliance with **Section 6.18(a)**, Net Income for any period shall (i) include the net income (or net loss) for any Person or business unit that has been acquired by the Company or any of its Restricted

“**Patriot Act**” is defined in **Section 5.26** hereof.

“**PBGC**” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“**Percentage**” means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Total Commitments represented by such Lender’s Commitment at such time, subject to **Section 2.15(a)(iv)**. If the commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to **Section 8.02** or if the Total Commitments have expired, then the Percentage of each Lender shall be determined based on the Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Percentage of each Lender is set forth opposite the name of such Lender on **Schedule 1(a)** or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“**Perfection Certificate**” has the meaning assigned to such term in the Security Agreement.

“**Permitted Acquisition**” means any Acquisition with respect to which the following condition is satisfied: after giving effect to the Acquisition, no Default or Event of Default shall exist, including with respect to the covenant contained in **Section 6.18(a)** hereof on a *pro forma* basis.

“**Permitted Investment Amount**” means an amount equal to (a) U.S. $150,000,000 *plus* (b) 20% of positive consolidated Net Income for each fiscal year of the Company commencing with the Company’s fiscal year ending December 31, 2006. As of December 31, 2010, the Permitted Investment Amount was equal to U.S. $608,180,000.

“**Permitted Lien**” is defined in **Section 6.13** hereof.

“**Permitted Securitization Financing**” means the sales of accounts receivable, general intangibles and other assets and related rights, and the financing transactions, contemplated by and pursuant to (i) the Purchase and Sale Agreement, dated as of April 22, 2014, among the various originators parties thereto, the Company, as servicer, and CNR Receivables LLC, as buyer, and (ii) the Receivables Purchase Agreement, dated as of April 22, 2014, among CNR Receivables LLC, as seller, the Company, as servicer, Credit Agricole Corporate and Investment Bank, as committed purchaser, purchaser agent and administrator, Atlantic Asset Securitization LLC, as a conduit purchaser, and PNC Bank, National Association, as a committed purchaser, LC banks and a purchaser agent~~; in each case as amended, supplemented or otherwise modified from time to time; *provided*, that no such amendment, supplement or other modification shall (x) add any collateral securing, or assets sold into, any such financing; (y) add any obligors or sellers who are not already parties as of the Fourth Amendment Effective Date or (z) increase the aggregate amount of the obligations or the amount available to purchase receivables~~

~~thereunder above the amount permitted in **Section 6.12(c)**.~~, which financings were paid off and terminated on or about October 24, 2014.

~~“**Permitted Securitization Financing Payoff**” means the termination of, and repayment in full of all obligations owed under, the Permitted Securitization Financing and delivery to the Administrative Agent of a payoff letter reasonably satisfactory to the Administrative Agent and copies of UCC-3 termination financing statements in form appropriate for filing with respect to such termination.~~

“**Permitted Transaction Condition**” means, with respect to (i) an Investment made pursuant to clauses (n), (o) or (q) of the definition of “Restricted Investment” or (ii) a Permitted Acquisition, and, in each case, after giving effect to such Investment or Permitted Acquisition, the Company shall be in pro forma compliance with the financial covenants set forth in **Section 6.18** (provided that for purposes of this definition, the levels set forth in **Section 6.18** shall be deemed to be 0.5x tighter than the specified levels).

“**Person**” means any natural person, partnership, corporation, limited liability company, association, trust, unincorporated organization, Governmental Authority or any other entity or organization.

“**Plan**” means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“**Platform**” is defined in **Section 6.01** hereof.

“**Portman Limited Facility**” means any credit agreement, multi-option facility, facility agreement, loan agreement or other agreements or instruments entered into from time to time under which the applicable lenders or holders of such instruments have agreed to make loans or otherwise extend credit to Cliffs Natural Resources Holdings Pty Ltd or any Restricted Subsidiary thereof.

“**Principal Property**” means a single manufacturing or processing plant, warehouse distribution facility or office owned or leased by the Company or a Principal Subsidiary which has a net book value in excess of 5% of Consolidated Net Tangible Assets other than a plant, warehouse, office or portion thereof which, in the opinion of the Company’s Board of Directors, is not of material importance to the business conducted by the Company and its Subsidiaries as an entirety.

“**Principal Subsidiary**” means a Subsidiary that owns or leases any Principal Property except a Subsidiary (a) that transacts any substantial portion of its business and

(h) Contingent Obligations permitted by **Section 6.12**(h) hereof;

(i) mergers and consolidations permitted by **Section 6.14** hereof;

(j) loans and advances to directors, employees and officers of the Company and its Restricted Subsidiaries for *bona fide* business purposes in the ordinary course of business;

(k) (i) Investments by any Loan Party in or to any other Loan Party, (ii) Investments by any Loan Party in or to any Canadian Entity or to any Wholly-Owned Subsidiary that is not a Guarantor, *provided* that (A) the sum of Investments made from and after the Fifth Amendment Effective Date under this clause (ii) shall not exceed an aggregate amount equal to $150,000,000 at any time outstanding (of which the sum, without duplication, of (1) the aggregate amount of Investments made in, to or on behalf of the Canadian Entities from and after the Canadian Restructuring Commencement Date under this clause (ii) and (2) the aggregate amount of payments made by any Loan Party from and after the Sixth Amendment Effective Date under any "e-payables" program of the Company or any of its Subsidiaries in respect of amounts due to any supplier or vendor of the Canadian Entities, shall not exceed an aggregate amount equal to $100,000,000) and (B) no Investment under this clause (ii) that is in the form of intercompany loans shall be evidenced by a promissory note unless such promissory note is pledged to the Administrative Agent in accordance with the terms of the Security Agreement, (iii) Investments by any Subsidiary that is not a Guarantor in or to any Loan Party, *provided* that any such Investment under this clause (iii) that is in the form of intercompany loans shall be unsecured and subordinated to the Obligations pursuant to the terms of the Intercompany Note (as defined in the Security Agreement) or other document having subordination terms substantially similar to the terms contained in the Intercompany Note or other document having subordination terms substantially similar to the terms contained in the Intercompany Note or otherwise reasonably satisfactory to the Administrative Agent and (iv) Investments between Subsidiaries that are not Guarantors or Investments by any Subsidiary that is not a Guarantor in a Canadian Entity, *provided* that if the Subsidiary making the Investment under this clause (iv) is a Wholly-Owned Subsidiary, the recipient of such Investment shall also be a Wholly-Owned Subsidiary~~;~~ or a Canadian Entity; *provided*, *further*, that from and after the Canadian Restructuring Commencement Date, any Investments made pursuant to this clause (k) in or to the Canadian Entities shall be made in the form of intercompany loans that are secured by the assets of the Canadian Entities pursuant to Section 6.13(l);

(l) Investments in securities of trade creditors or customers in the ordinary course of business that are received (i) in settlement of *bona fide* disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or (ii) in the settlement of debts created in the ordinary course of business;

(m) Investments in Joint Ventures in the United States existing as of the Fifth Amendment Effective Date and set forth on Schedule 6.15(B) for the purpose of financing such entities' (i) operating expenses incurred in the ordinary course of business, (ii) reasonable Capital Expenditures and (iii) other reasonable obligations that are accounted for by the Company and its Restricted Subsidiaries as increases in equity in such Joint Ventures;

(n) Investments in The Bloom Lake Iron Ore Mine Limited Partnership and Wabush Mines joint ventures so long as the Permitted Transaction Condition is satisfied; *provided* that no Investments shall be made pursuant to this clause (n) from and after the Canadian Restructuring Commencement Date;

(o) so long as the Permitted Transaction Condition is satisfied, Investments of the Company and its Restricted Subsidiaries to make acquisitions of additional mining interests located in the United States or for other strategic or commercial purposes in the United States; *provided* that from and after the Fifth Amendment Effective Date, (i) after giving effect to any such Investment, no Default or Event of Default shall exist, (ii) the aggregate amount of consideration (excluding common equity interests of the Company) paid in respect of such Investments, together with (x) the aggregate amount of consideration paid in connection with an Acquisition made in reliance on clause (d) of the definition of "Restricted Investments" and (y) the aggregate amount of Investments made in reliance on clause (q) of the definition of "Restricted Investments" (excluding, in the case of clauses (x) and (y), the amount of such Acquisitions and Investments made using common equity of the Company), shall not exceed U.S. $200,000,000 from and after the Fifth Amendment Effective Date, and (iii) in the case of any such Investment in excess of U.S. $100,000,000, the Company shall deliver to the Administrative Agent at least 3 Business Days (or such shorter period as may be agreed to by the Administrative Agent) prior to such Investment, a certificate confirming *pro forma* compliance with the Permitted Transaction Condition;

(p) [reserved]; and

(q) Investments, not otherwise permitted under clauses (a) - (p), of the Company and its Restricted Subsidiaries so long as the Permitted Transaction Condition is satisfied; *provided* that from and after the Fifth Amendment Effective Date, (i) the aggregate amount of consideration (excluding common equity interests of the Company) paid in respect of such Investments, together with (x) the aggregate amount of consideration paid in connection with an Acquisition made in reliance on clause (d) of the definition of "Restricted Investments" and (y) the aggregate amount of Investments made in reliance on clause (o) of the definition of "Restricted Investments" (excluding, in the case of clauses (x) and (y), the amount of such Acquisitions and Investments made using common equity of the Company), shall not exceed U.S. $200,000,000 from and after the Fifth Amendment Effective Date and (ii) in the case of any such Investment in which the aggregate amount to be invested is greater than U.S. $100,000,000, the Company shall deliver to the Administrative Agent at least 3 Business Days (or such shorter period as may be agreed to by the Administrative Agent) prior to such Investment, a certificate confirming pro forma compliance with the Permitted Transaction Condition;

may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

"**Sanction(s)**" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"**Scotia Existing Letters of Credit**" means those letters of credit existing as of the Fifth Amendment Effective Date issued by The Bank of Nova Scotia, New York Agency for the benefit of the Company and its Subsidiaries and as set forth on Schedule 2.02.

"**SEC**" is defined in **Section 6.01(e)** hereof.

"**Secured Obligations**" means the Obligations, the Hedging Liability and the Funds Transfer and Deposit Account Liability; *provided*, that Secured Obligations shall not include, with respect to any Guarantor, Excluded Swap Obligations of such Guarantor.

"**Secured Parties**" means, collectively, the Lenders, the Administrative Agent, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to **Section 9.05**, and each other holder of Secured Obligations.

"**Security**" has the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"**Security Agreement**" is defined in **Section 6.20(a)** hereof.

"**Senior Secured Debt**" means that portion of Total Funded Debt that is (a) outstanding under this Agreement or the Loan Documents or (b) secured by a Lien on any property or assets of the Company or any of its Restricted Subsidiaries.

"**Senior Secured Leverage Ratio**" means, at any time the same is to be determined, the ratio of (a) Senior Secured Debt to (b) EBITDA of the Company and its Restricted Subsidiaries for the four fiscal quarters of the Company most recently ended.

"**Sixth Amendment Effective Date**" means the date that the conditions precedent to the effectiveness of Amendment No. 6, dated as of January 22, 2015, to this Agreement have been satisfied or waived.

"**Sonoma**" means the unincorporated joint venture formed by QCoal Sonoma Pty Ltd, Watami (Qld) Pty Ltd, CSC Sonoma Pty Ltd, JS Sonoma Pty Ltd and Cliffs Australia Coal Pty Ltd, a Wholly-Owned Subsidiary of the Company, for the purpose of mining and developing a coal mine in Queensland, Australia, including the construction of a washplant by Cliffs Australia Washplant Operations Pty Ltd, an indirectly held Wholly-Owned Subsidiary of the Company.

(e) any interest or title of a lessor under any operating lease;

(f) easements, rights-of-way, restrictions, and other similar encumbrances against real property incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of such Person;

(g) Liens of or resulting from any judgment or ~~award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which such Person shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured, *provided* that, the aggregate amount of such judgments or awards secured by Liens permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of U.S. $50,000,000 (except to the extent fully (excluding any deductibles or self-insured retention) covered by insurance pursuant to which the insurer has accepted liability therefor in writing) at any one time outstanding;~~judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes which do not result in an Event of Default under Section 7.01(g);

(h) Liens in the nature of royalties, dedications of reserves or similar rights or interests granted, taken subject to or otherwise imposed on properties consistent with normal practices in the iron ore mining industry;

(i) Liens incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for Indebtedness) or arising by virtue of deposits made in the ordinary course of business to security liability for premiums to insurance carriers and/or benefit obligations to claimants;

(j) leases or subleases of properties, in each case entered into in the ordinary course of business so long as such leases or subleases do not, individually or in the aggregate, (i) interfere in any material respect with the ordinary conduct of the business of the Company and its Restricted Subsidiaries or (ii) materially impair the use (for its intended purposes) or the value of the Property subject thereto;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business in accordance with the past business practices of such Person, and any products or proceeds thereof to the extent covered by such Liens;

(l) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; provided that, unless such Liens are non consensual and arise by operation of Law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(m) the filing of UCC financing statements in connection with operating leases, consignment of goods or bailment agreements; and

(n) Liens securing reimbursement obligations with respect to trade or commercial letters of credit that encumber only the documents underlying such letters of credit and any products or proceeds thereof to the extent covered by such Liens.

~~"**Step 1 Collateral Completion Date**" means the date on which all of the requirements of **Section 6.20(a)** are completed or waived.~~

~~"**Step 2 Collateral Completion Date**" means the date on which all of the requirements of **Section 6.20(b)** are completed or waived.~~

"**S&P**" means Standard & Poor's Ratings Services Group, a division of The McGraw Hill Companies, Inc. and any successor thereto.

"**Subsidiary**" means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities which are themselves subsidiaries of such parent corporation or organization.

"**Swap Counterparty**" means, with respect to any swap with a Lender, any person or entity that is or becomes a party to such swap.

"**Swap Obligation**" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act between any Lender and one or more Swap Counterparties.

"**Swing Line**" means the credit facility for making one or more Swing Line Loans described in **Section 2.10** hereof.

"**Swing Line Lender**" means Bank of America, in its capacity as provider of Swing Line Loans or any successor swing line lender hereunder.

"**Swing Line Sublimit**" means, collectively, $100,000,000 with the limitations that (i) the aggregate Outstanding Amount of Swing Line Loans denominated in U.S. Dollars shall at no time exceed U.S. $50,000,000, (ii) the aggregate Outstanding Amount of Swing Line Loans denominated in Canadian Dollars shall at no time exceed Cdn. $25,000,000, (iii) the aggregate Outstanding Amount of Swing Line Loans denominated in Australian Dollars shall at no time exceed AUD 25,000,000 and (iv) the aggregate Outstanding Amount of Swing Line Loans denominated in any other Alternative Currency shall be zero; *provided* that the amounts specified in clauses (i) - (iv) may be modified from time to time by agreement between the Company and the Swing Line Lender.

"**Swing Line Loan**" and "**Swing Line Loans**" each is defined in **Section 2.10** hereof.

"**Swing Line Loan Notice**" means a notice of a Borrowing of Swing Line Loans pursuant to **Section 2.10(b)**, which, if in writing, shall be substantially in the form of **Exhibit A** and appropriately completed and signed by a Responsible Officer of the Company.

"**Swing Note**" means a promissory note made by the Company in favor of the Swing Line Lender evidencing Swing Line Loans made by the Swing Line Lender, substantially in the form of **Exhibit D-2**.

"**Swiss Francs**" means the lawful currency of the Swiss Confederation.

"**Syndication Agent**" means JPMorgan Chase Bank, N.A.

"**TARGET Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Termination Date**" means October 16, 2017, or such earlier date on which the Commitments are terminated in whole pursuant to **Section 2.09**, **7.02** or **7.03** hereof.

"**Third Amendment Effective Date**" means June 30, 2014.

"**Total Commitments**" means, at any time, the aggregate amount of Commitments, which shall be ~~One Billion One~~ Nine Hundred ~~Twenty-Five~~ Million Dollars (U.S. $~~1,125,000,000~~900,000,000) on the ~~Fifth~~Sixth Amendment Effective Date and which may be increased pursuant to **Section 2.01(b)** hereof or decreased pursuant to **Section 2.09** or other applicable provisions hereof~~.~~; *provided*; *however*, that on May 31, 2015, the aggregate amount of Commitments shall be automatically reduced to Seven Hundred Fifty Million Dollars (U.S. $750,000,000), with such reduction being applied pro rata to the outstanding Commitments immediately prior to such reduction.

component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.09. *Liability of Designated Borrowers.* The parties intend that this Agreement shall in all circumstances be interpreted to provide that each Designated Borrower is liable only for obligations with respect to Loans or Letters of Credit made to or issued on behalf of such Designated Borrower (including, without limitation, principal and interest on such Loans and reimbursement obligations with respect to such Letters of Credit) and ongoing obligations related thereto under **Articles 2** and 8 hereof, and its pro rata share of otherwise unallocated general fees, reimbursements and charges hereunder and under any other Loan Document.

Section 1.10. *Hybrid Securities.* For purposes of determining Total Funded Debt and Net Worth, Hybrid Securities shall be accorded the same capital treatment as given to such Hybrid Securities by either S&P or Moody's (whichever gives the lower treatment) at the time of issuance thereof; provided, however, that the maximum amount of Hybrid Securities that may be included in Net Worth and excluded from Total Funded Debt shall not at any time exceed 15% of the sum of Total Funded Debt plus Net Worth, in each case including such Hybrid Securities in accordance with their capital treatment by either S&P or Moody's (whichever is used in accordance with this paragraph).

ARTICLE 2
THE CREDIT FACILITIES

Section 2.01. *Revolving Credit Facilities.* (a) *Revolving Loans*. Prior to the Termination Date, each Lender severally and not jointly agrees, subject to the terms and conditions hereof, to make revolving loans (each individually a "**Revolving Loan**" and, collectively, the "**Revolving Loans**") in U.S. Dollars and Alternative Currencies to the Borrowers from time to time in an aggregate outstanding U.S. Dollar Equivalent up to the amount of such Lender's Commitment; *provided*, *however*, that after giving effect to any Borrowing (i) the Total Outstandings shall not exceed the Total Commitments in effect at such time ~~, *provided* that (A) if the Step 1 Collateral Completion Date has not occurred by the Fifth Amendment Effective Date, the Total Outstandings shall also not exceed U.S. $750,000,000 until the earlier of the Step 1 Collateral Completion Date and the fifteenth (15th) day after the Fifth Amendment Effective Date, (B) if the Step 1 Collateral Completion Date has not occurred by such fifteenth (15th) day, from and after the sixteenth (16th) day after the Fifth Amendment Effective Date, the Total Outstandings shall also not exceed U.S. $500,000,000 until the earlier of the Step 1 Collateral Completion Date and the fifty-ninth (59th) day after the Fifth Amendment Effective Date, (C) if the Step 1 Collateral Completion Date has not occurred by such fifty-ninth (59th) day, from and after the sixtieth (60th) day following the Fifth Amendment Effective Date, the Total Outstandings shall also not exceed U.S. $300,000,000; and (D) each of the amounts in clauses (A), (B) and (C) (each of such amounts, the "**Applicable Adjusted Total Commitments**") shall be reduced by U.S. $110,000,000 if the Permitted~~

~~Securitization Financing Payoff has not occurred by such date~~, (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (iii) the sum of (x) the aggregate Outstanding Amount of Alternative Currency Loans and Letters of Credit denominated in an Alternative Currency and (y) the aggregate Outstanding Amount of Loans denominated in U.S. Dollars made to Designated Borrowers shall not exceed the Foreign Sublimit. Each Borrowing of Revolving Loans shall be made ratably by the Lenders in proportion to their respective Percentages. As provided in **Section 2.04(a)**, and subject to the terms hereof, the Company may elect that each Borrowing of Revolving Loans denominated in U.S. Dollars be either Base Rate Loans or Eurocurrency Loans. All Loans denominated in an Alternative Currency shall be Eurocurrency Loans. Revolving Loans may be repaid and reborrowed before the Termination Date, subject to the terms and conditions hereof.

(b) *Commitment Increases*. The Company shall be entitled, from time to time, to request that the Total Commitments be increased to an aggregate amount not to exceed Two Billion Dollars (U.S. $2,000,000,000) (such additional Commitments are referred to herein as the "**Additional Commitments**"); *provided* that (i) at the time of giving effect to any such Commitment increase, the conditions specified in **Sections 3.02(a)** and **(b)** would be satisfied if the full amount of the Commitments as increased were borrowed at such time, (ii) any such increase shall be in a minimum amount of U.S. $50,000,000, (iii) no Lender shall be obligated to increase such Lender's Commitment without such Lender's written consent, which may be withheld in such Lender's sole discretion, and (iv) any Person providing any Additional Commitment shall be an Eligible Assignee (if such Person is not already a Lender). In connection with any such increase in the Total Commitments the parties shall execute any documents reasonably requested in connection with or to evidence such increase, including without limitation, an amendment to this Agreement.

(c) *Adjustments*. On the date ("**Funding Date**") of any increase in the Total Commitments permitted by this Agreement, which date shall be designated by the Administrative Agent, each Lender who has an Additional Commitment shall fund to the Administrative Agent such amounts as may be required to cause each such Lender to hold its Percentage of Revolving Loans based upon the Commitments as of such Funding Date, and the Administrative Agent shall distribute the funds so received to the other Lenders in such amounts as may be required to cause each of them to hold its Percentage of Revolving Loans as of such Funding Date. The Lenders receiving such amounts to be applied to Eurocurrency Loans may demand payment of the breakage costs under **Section 8.01** hereof as though the applicable Borrower had elected to prepay such Eurocurrency Loans on such date and such Borrower shall pay the amount so demanded as provided in **Section 8.01**. The first payment of interest and Letter of Credit Fees received by the Administrative Agent after such Funding Date shall be paid to the Lenders in amounts adjusted to reflect the adjustments of their respective Percentages as of the Funding Date. On the Funding Date each Lender shall be deemed to have either sold or purchased, as applicable, a participating interest in Swing Line Loans, L/C Obligations and L/C association or operating agreement, partnership agreement or other similar document) of the Company or any Restricted Subsidiary, (b) contravene or constitute a default under any covenant, indenture or agreement of or affecting the Company or any Restricted Subsidiary or any of its Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or (c) result in the creation or imposition of any Lien on any Property of the Company or any Restricted Subsidiary.

Section 5.03. *Financial Reports.* The audited consolidated financial statements of the Company and its Restricted Subsidiaries as at December 31, 2013, and the unaudited interim consolidated financial statements of the Company and its Restricted Subsidiaries as at March 31, 2014, for the 3 months then ended, heretofore furnished to the Administrative Agent, fairly and adequately present, in all material respects, the consolidated financial condition of the Company and its Restricted Subsidiaries as at said dates and the consolidated results of their operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis. Except as set forth on **Schedule 5.3**, neither the Company nor any Restricted Subsidiary has contingent liabilities or judgments, orders or injunctions against it that are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to **Section 6.01** hereof.

Section 5.04. *No Material Adverse Change.* Since December 31, 2013, there has been no change in the condition (financial or otherwise) of the Company and its Restricted Subsidiaries except ~~those occurring in the ordinary course of business, none of which~~ such changes which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.05. *Litigation and Other Controversies.* Except as set forth on **Schedule 5.5** and the Arbitration Award, there is no litigation, arbitration or governmental proceeding pending or, to the knowledge of the Company and its Restricted Subsidiaries, threatened against the Company or any of its Restricted Subsidiaries that could reasonably be expected to have a Material Adverse Effect.

Section 5.06. *True and Complete Disclosure.* All information furnished by or on behalf of the Company or any of its Restricted Subsidiaries in writing to the Administrative Agent or any Lender for purposes of or in connection with this Agreement, or any transaction contemplated herein, is true and accurate in all material respects and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not materially misleading in light of the circumstances under which such information was provided; *provided* that to the extent any such information was based upon or constitutes a forecast or projection, the Company represents only that it acted in good faith and utilized assumptions reasonable at the time made and due care in the preparation of such information, report, financial statement, exhibit or schedule.

Section 5.07. *Use of Proceeds; Margin Stock.* (a) All proceeds of Loans shall be used by the Company to refinance certain existing indebtedness and for working

Section 5.15. *Good Title.* The Company and its Restricted Subsidiaries have good and marketable title, or valid leasehold interests, to their assets as reflected on the Company's most recent consolidated balance sheet provided to the Administrative Agent, except for sales of assets in the ordinary course of business, subject to no Liens, other than Permitted Liens.

Section 5.16. *Labor Relations.* Neither the Company nor any of its Restricted Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is no strike, labor dispute, slowdown or stoppage pending against the Company or any of its Restricted Subsidiaries or, to the best knowledge of the Company and its Restricted Subsidiaries, threatened against the Company or any of its Restricted Subsidiaries, except such as could not reasonably be expected to have a Material Adverse Effect.

Section 5.17. *Capitalization.* Except as disclosed on **Schedule 5.17**, as of the Closing Date, all outstanding equity interests of the Company and each Restricted Subsidiary have been duly authorized and validly issued, and are fully paid and nonassessable, and there are no outstanding commitments or other obligations of the Company or any Restricted Subsidiary to issue, and no rights of any Person to acquire, any equity interests in the Company or any Restricted Subsidiary.

Section 5.18. *Other Agreements.* Neither the Company nor any Restricted Subsidiary is in default under the terms of any covenant, indenture or agreement (other than any covenant, indenture or agreement related to the Canadian Existing Indebtedness) of or affecting the Company, any Restricted Subsidiary or any of their Property, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 5.19. *Governmental Authority and Licensing.* The Company and its Restricted Subsidiaries have received all licenses, permits, and approvals of all Governmental Authorities, if any, necessary to conduct their businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding with respect to any such licenses, permits and approvals that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect is pending or, to the knowledge of the Company and its Restricted Subsidiaries, threatened.

Section 5.20. *Approvals.* No authorization, consent, license or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by the Company or any Restricted Subsidiary of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 5.21. *Affiliate Transactions.* Except in connection with any Investment permitted hereunder or as set forth in **Schedule 5.21** hereof, neither the Company nor any Restricted Subsidiary is a party to any contract or agreement with any of its Affiliates (other than any contract or agreement between the Company and any Domestic Subsidiary which is a Guarantor or between any Domestic Subsidiary which is a Guarantor and any other Domestic Subsidiary which is a Guarantor) on terms and conditions which are less favorable, taken as a whole, to the Company or such Restricted Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 5.22. *Solvency.* The Company and its Restricted Subsidiaries (other than the Canadian Entities from and after the Canadian Restructuring Commencement Date), when taken as a whole, are solvent, able to pay their debts as they become due, and have sufficient capital to carry on their business and all businesses in which they are about to engage.

Section 5.23. *Economic Sanctions.* Neither the Company, nor any of its Restricted Subsidiaries, nor, to the knowledge of the Company and its Restricted Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity currently the subject of any Sanctions, nor is the Company or any Restricted Subsidiary located, organized or resident in a Designated Jurisdiction.

Section 5.24. *No Default.* No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 5.25. *Anti-Corruption Laws*. The Company and its Subsidiaries have conducted their businesses for the past five years in compliance with applicable anti-corruption laws in all material respects and have policies and procedures designed, in the Company's business judgment, to promote and achieve compliance with such laws.

Section 5.26. *Patriot Act.* The Company and its Restricted Subsidiaries are in compliance, in all material respects, with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**").

Section 5.27. *Collateral Documents.* The Collateral Documents, upon their due execution and delivery, will create in favor of the Administrative Agent for the benefit of the Secured Parties a valid and, together with such filings and other actions necessary to perfect and protect the Liens in the Collateral created under and in the manner contemplated by the Collateral Documents and **Section 6.20**, perfected first priority Lien in the Collateral, securing the payment of the Secured Obligations, subject to Liens permitted by the Loan Documents.

ARTICLE 6
COVENANTS

The Company covenants and agrees that, so long as any Loans or Letters of Credit are available to any Borrower hereunder and until all Obligations are paid in full:

Section 6.01. *Information Covenants.* The Company will furnish to the Administrative Agent, with sufficient copies for each Lender:

(a) *Quarterly Statements*. Within 60 days after the close of each quarterly accounting period in each fiscal year of the Company, a consolidated balance sheet as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and of cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the related periods in the prior fiscal year, all of which shall be in reasonable detail, prepared by the Company in accordance with GAAP, and certified by the chief financial officer or other officer of the Company acceptable to the Administrative Agent that they fairly present in all material respects in accordance with GAAP the financial condition of the Company and its Restricted Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated, subject to normal year end audit adjustments and the absence of footnotes. Any items required to be delivered pursuant to this Section need not to be separately delivered to the Administrative Agent if such items are publicly available through the SEC; provided that such items are filed with the SEC within the time allotted in this Section and, with respect to each such item other than a Form 10-K or a Form 10-Q, the Company furnishes to the Administrative Agent within the time allotted in this **Section 6.01(a)** written or electronic notice of such filing.

(b) *Annual Statements*. Within 90 days after the close of each fiscal year of the Company, a consolidated balance sheet as of the last day of the fiscal year then ended and the related consolidated statements of income and retained earnings and of cash flows for the fiscal year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion (as to scope and going concern) of a firm of independent public accountants of recognized national standing, selected by the Company and acceptable to the Administrative Agent, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Company and its Restricted Subsidiaries as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards. Any items required to be delivered pursuant to this Section need not to be separately delivered to the Administrative Agent if such items are publicly available through the SEC; *provided* that such items are filed with the SEC within the time allotted in this Section and, with respect to each such item other than a Form 10-K or a Form 10-Q, the Company furnishes to the Administrative Agent within the time allotted in this **Section 6.01(a)** written or electronic notice of such filing.

(c) *Officer's Certificates*. At the time of the delivery of the financial statements provided for in ~~(a)~~**Section 6.01(a)** and **(b)**, except for financial statements delivered pursuant to **Section 6.01(a)** with respect to a fiscal quarter that ends on the same date as

Administrative Agent or any Lender, to visit and inspect any Property of the Company or such Restricted Subsidiary, and to examine the books of account of the Company or such Restricted Subsidiary and discuss the affairs, finances and accounts of the Company or such Restricted Subsidiary with its and their officers and independent accountants, all at such reasonable times upon reasonable advance notice as the Administrative Agent or any Lender may request; *provided*, *however*, that prior to the occurrence and continuance of an Event of Default, such visitations and inspections shall be no more frequent than once per fiscal year and shall be at the sole cost and expense of the Administrative Agent or such Lender.

Section 6.03. *Maintenance of Property, Insurance, Environmental Matters, Etc.* (a) The Company will, and will cause each of its Restricted Subsidiaries (other than the Canadian Entities) to, (i) keep its operating property, plant and equipment in good repair, working order and condition, normal wear and tear excepted, and shall from time to time make all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto so that at all times such property, plant and equipment are reasonably preserved and maintained and (ii) maintain in full force and effect with financially sound and reputable insurance companies insurance which provides substantially the same (or greater) coverage and against at least such risks as is in accordance with industry practice for operating plant and equipment, and shall furnish to the Administrative Agent upon request full information as to the insurance so carried.

(b) Without limiting the generality of **Section 6.03(a)**, the Company and its Restricted Subsidiaries, except to the extent that the aggregate effect of their failures to do so could not reasonably be expected to have a Material Adverse Effect: (i) shall comply with, and maintain all real property in compliance with, any applicable Environmental Laws; (ii) shall obtain and maintain in full force and effect all governmental approvals required for its operations at or on its properties by any applicable Environmental Laws; (iii) shall cure as soon as reasonably practicable any violation of applicable Environmental Laws with respect to any of its properties; (iv) shall not, and shall not permit any other Person to, own or operate on any of its properties any unauthorized landfill or dump or hazardous waste treatment, storage or disposal facility as defined pursuant to the RCRA, or any comparable state, provincial or territorial law, or any comparable law of any other jurisdiction; and (v) shall not use, generate, transport, treat, store, release or dispose of Hazardous Materials at or on any of the real property except in the ordinary course of its business and in compliance with all Environmental Laws. With respect to any Release of Hazardous Materials, the Company and its Restricted Subsidiaries shall conduct any necessary or required investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other response action necessary to remove, cleanup or abate any material quantity of Hazardous Materials released at or on any of its properties as required by any applicable Environmental Law.

Section 6.04. *Preservation of Existence.* The Company will, and will cause each of its Restricted Subsidiaries (other than the Canadian Entities) to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and, except

Foreign Subsidiary, GAAP as in effect in any applicable local jurisdiction, consistently applied shall be made of all financial transactions and matters involving the assets and business of the Company or such Restricted Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Company or such Restricted Subsidiary, as the case may be.

Section 6.09. *Contracts with Affiliates.* Except in connection with any Investment permitted hereunder or as set forth in **Schedule 5.21**, the Company shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any contract, agreement or business arrangement with any of its Affiliates (other than any arrangement between the Company and any Domestic Subsidiary which is a Guarantor or between any Domestic Subsidiary which is a Guarantor and any other Domestic Subsidiary which is a Guarantor) on terms and conditions which are less favorable to the Company or such Restricted Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 6.10. *No Changes in Fiscal Year.* The Company shall not change its fiscal year from its present basis.

Section 6.11. *Change in the Nature of Business.* The Company shall not, nor shall it permit any of its Restricted Subsidiaries to, engage in any business or activity if as a result the general nature of the business of the Company or any Restricted Subsidiary would be changed in any material respect from the general nature of the business engaged in by it as of the Closing Date; *provided*, *however*, that the foregoing shall not prevent the acquisition by the Company or any of its Restricted Subsidiaries of, or the entry into, any line of business that is related or complementary to the business in which they are engaged on the Closing Date. Notwithstanding anything to the contrary herein, the Company shall not permit Cleveland-Cliffs International Holding Company to (a) own any assets other than equity interests in Foreign Subsidiaries, 0(b) construct, create, incur, assume or suffer to exist any Indebtedness (other than as permitted pursuant to **Section 6.12(b)**), and (c) create, incur or suffer to exist any Lien created for the purpose of securing Indebtedness.

Section 6.12. *Indebtedness.* The Company will not, nor will it permit any of its Restricted Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(a) the Obligations, Hedging Liability, and Funds Transfer and Deposit Account Liability of the Company and its Restricted Subsidiaries owing to the Administrative Agent and the Lenders (and their Affiliates);

(b) intercompany Indebtedness among the Company and its Restricted Subsidiaries to the extent permitted by Section 6.15 (other than pursuant to clause (q) of the definition of "Restricted Investments");

(c) 0(i) purchase money Indebtedness of the Company and its Restricted Subsidiaries, including any such Indebtedness assumed in connection with a Permitted Acquisition, (ii) Capitalized Lease Obligations of the Company and its Restricted Subsidiaries, including any such obligations assumed in connection with a Permitted Acquisition, and (iii) Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets ("**Project Indebtedness**"), including any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on such assets before the acquisition thereof, and any refinancings of any such Project Indebtedness; provided that, with respect to Project Indebtedness permitted by clause **(iii)** of this Section, (w) such Project Indebtedness is initially incurred before or within 180 days after such acquisition or the completion of such construction or improvement, (x) such Project Indebtedness shall be secured only by the Property acquired, constructed or improved in connection with the incurrence of such Project Indebtedness, (y) with respect to such Project Indebtedness assumed in connection with a Permitted Acquisition, the amount of such Project Indebtedness shall not exceed 100% of the Total Consideration paid in connection with such Permitted Acquisition and (z) with respect to Project Indebtedness incurred to finance the acquisition of any fixed or capital assets, such Project Indebtedness shall constitute not more than 100% of the aggregate consideration paid with respect to such Property; *provided* that the aggregate amount at any time outstanding of all such Indebtedness incurred pursuant to this clause (c) from and after the Fifth Amendment Effective Date shall not exceed U.S. $100,000,000;

(d) customer advances for prepayment of ore sales;

(e) ~~(i) until the date that is 30 days after the Fifth Amendment Effective Date, Indebtedness not to exceed U.S. $110,000,000 in respect of the Permitted Securitization Financing (it being understood and agreed that the Permitted Securitization Financing Payoff shall occur within 30 days of the Fifth Amendment Effective Date and that the Permitted Securitization Financing shall be subject to **Section 2.01** until such payoff occurs) and (ii)~~ AUD 30,000,000 in respect of the Portman Limited Facility;

(f) Other Hedging Liability to any Person, in all cases incurred in the ordinary course of business and not for speculative purposes;

(g) Indebtedness in respect of bid, performance, surety, reclamation or other similar bonds or guaranties in the ordinary course of business, or any similar financial assurance obligations under Environmental Laws or worker's compensation Laws or with respect to self insurance obligations, including guarantees or obligations with respect to letters of credit supporting such obligations (in each case other than for an obligation for money borrowed);

(h) Contingent Obligations in respect of Indebtedness otherwise permitted under this **Section 6.12** (excluding~~, for the avoidance of doubt,~~ (x) guarantees by any Restricted Subsidiary of any obligations of the Company other than pursuant to the Loan Documents and (y) from and after the Sixth Amendment Effective Date, guarantees by the Company or any Restricted Subsidiary (other than any Canadian Entity) of any Indebtedness of a Canadian Entity);

(i) Indebtedness incurred in connection with any sale/leaseback transaction; *provided*, that such Indebtedness incurred from and after the Fifth Amendment Effective Date shall be in an aggregate amount not to exceed U.S. $100,000,000 at any time outstanding;

(j) Indebtedness of Non-Guarantor Subsidiaries (i) listed on Schedule 6.12, or (ii) not otherwise permitted by this Section; *provided* that the aggregate amount at any time outstanding of all such Indebtedness referenced in this subclause (ii) shall not exceed U.S. $75,000,000; ~~and~~

(k) unsecured Indebtedness of the Company and the Guarantors not otherwise permitted by this Section; *provided* that from and after the Fifth Amendment Effective Date, ~~(i)~~ immediately after giving effect to such Indebtedness, the Company shall be in pro forma compliance with the financial covenant set forth in **Section 6.18(b)**; and ~~(ii) no such Indebtedness in excess of U.S. $25,000,000 shall be incurred unless both the Step 1 Collateral Completion Date and the Step 2 Collateral Completion Date shall have occurred;~~

(l) Indebtedness of any Canadian Entity from and after its Canadian Restructuring Commencement Date that is incurred from a third party pursuant to or as required by a court order, judgment, order or ruling by a Governmental Authority or a similar proceeding in connection with the Canadian Restructuring;

provided that notwithstanding anything to the contrary set forth in any exception to this **Section 6.12**, in any case the Company shall not permit any Guarantor to, and no Guarantor shall, create, incur, assume or suffer to exist any guarantee or other credit support in respect of any Bonds.

Section 6.13. *Liens.* The Company will not, nor will it permit any of its Restricted Subsidiaries to, create, incur or suffer to exist any Lien on any of its Property; *provided* that the foregoing shall not prevent the following (the Liens described below, the " **Permitted Liens**"):

(a) Standard Permitted Liens;

(b) Liens on Property of the Company or any Restricted Subsidiary created solely for the purpose of securing Indebtedness permitted by **Section 6.12(c)** hereof, representing or incurred to finance such Property, provided that, with respect to Indebtedness described in clauses **(i)** and **(ii)** of such Section, no such Lien shall extend to or cover other Property of the Company or such Restricted Subsidiary other than the respective Property so acquired, and the principal amount of Indebtedness secured by any such Lien shall at no time exceed the purchase price of such Property, as reduced by repayments of principal thereon;

(c) any Lien in existence on the Fifth Amendment Effective Date and set forth on Schedule 6.13, any continuation or extension thereof or any Lien granted as a replacement or substitute therefor; provided that any such continued, extended, replacement or substitute Lien (i) except as permitted by **Section 6.12**, does not secure an aggregate amount of Indebtedness, if any, greater than that secured on the Fifth Amendment Effective Date, and (ii) does not encumber any Property other than the Property subject thereto on the Fifth Amendment Effective Date and any products or proceeds thereof to the extent covered by such Lien;

(d) Liens in favor of the Administrative Agent on cash collateral provided pursuant to **Section 2.02(g)**;

(e) Liens on Property of the Company or any Restricted Subsidiary created solely for the purpose of securing Indebtedness permitted by **Section 6.12(i)**; provided that any such Liens attach only to the Property being leased or acquired pursuant to such Indebtedness and do not encumber any other Property (other than any products or proceeds thereof to the extent covered by such Liens);

(f) Liens solely on any cash earnest money deposits in connection with any letter of intent or purchase agreement entered into in connection with a Permitted Acquisition;

(g) Liens on cash or Cash Equivalents securing reimbursement obligations with respect to any standby letter of credit entered into in the ordinary course of business;

(h) Liens solely on the assets of the Cliffs Sonoma Entities in favor of the Cliffs Sonoma Entities' joint venture partners in Sonoma; provided, that such Liens shall secure only amounts owed by Sonoma and the Cliffs Sonoma Entities to such joint venture partners;

(i) Liens ~~incurred in connection with the Permitted Securitization Financing~~ on assets of a Canadian Entity securing obligations of any Canadian Entity other than Indebtedness for borrowed money;

(j) other Liens with respect to obligations that do not in the aggregate exceed U.S. $25,000,000 at any time outstanding; ~~and~~

(k) Liens on the assets of Non-Guarantor Subsidiaries securing Indebtedness of Non-Guarantor Subsidiaries permitted under **Section 6.12(j)**;

(l) Liens on the assets of the Canadian Entities securing Investments in the form of intercompany loans permitted by clause (k) and clause (n) of the definition of "Restricted Investments"; *provided* that Liens granted by any Canadian Entity in favor of any Loan Party shall be senior to any Lien granted by such Canadian Entity to a Restricted Subsidiary that is not a Loan Party; and

(m) Liens on the assets of the Canadian Entities securing Indebtedness of the Canadian Entities permitted by Section 6.12(l);

provided that notwithstanding anything to the contrary set forth in any exception to this **Section 6.13**, in any case the Company shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur or suffer to exist any Lien (A) in reliance on the CNTA Basket, other than pursuant to the Collateral Documents, (B) on Collateral or any property of the type that is or will be required to be pledged pursuant to **Section 6.20**, other than (1) pursuant to the Collateral Documents, (2) consisting of customary restrictions in any agreement to dispose of such property in a transaction permitted by **Section 6.14** and (3) Liens permitted under clause **(i)** of this **Section 6.13** and clauses (c), (g), (h), (k), (m) and (n) of the definition of Standard Permitted Liens or (C) that would require any Bonds to be equally and ratably secured with the obligations secured by such Lien.

Section 6.14. *Consolidation, Merger, Sale of Assets, etc.* The Company will not, nor will it permit any of its Restricted Subsidiaries to, wind up, liquidate or dissolve its affairs or agree to any merger, amalgamation or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its operating properties, including any disposition as part of any sale leaseback transactions except that this Section shall not prevent:

(a) the sale and lease of inventory in the ordinary course of business;

(b) the sale, transfer or other disposition of any tangible personal property that, in the reasonable judgment of the Company or its Restricted Subsidiaries, has become uneconomic, obsolete or worn out;

(c) the sale, transfer, lease, or other disposition of Property (i) of any Loan Party to another Loan Party, (ii) of any Subsidiary that is not a Loan Party to any Loan Party, (iii) of any Subsidiary that is not a Loan Party to any other Subsidiary that is not a Loan Party, *provided* that if the transferor under this clause (iii) is a Wholly-Owned Subsidiary, the transferee shall also be a Wholly-Owned Subsidiary, and (iv) of any Loan Party to any Wholly-Owned Subsidiary that is not a Loan Party, *provided* that if such transaction under this clause (iv) constitutes an Investment, such transaction is permitted under clause (k) of the definition of “Restricted Investments;

(d) the merger of any Wholly-Owned Subsidiary with and into the Company or any other Wholly-Owned Subsidiary, *provided* that, (i) in the case of any merger involving the Company, the Company is the legal entity surviving the merger and (ii) in the case of any merger involving a Domestic Subsidiary which is a Restricted Subsidiary and a Foreign Subsidiary which is a Restricted Subsidiary, such Domestic Subsidiary is the legal entity surviving the merger (*provided*, that in the case of a merger, amalgamation or consolidation between 7261489 Canada Inc. or Wabush Resources Inc. and Wabush Iron Co. Limited, either 7261489 Canada Inc. or Wabush Resources Inc. may be the surviving entity);

(e) ~~[reserved];~~(i) the sale, transfer, lease, or other disposition of Property by any Canadian Entity, in any single transaction or series of related transactions, to a third party buyer or (ii) the wind-up, liquidation, dissolution, merger, amalgamation or consolidation of any Canadian Entity in connection with any sale, transfer, lease, or other disposition made pursuant to clause (e)(i);

(f) [reserved];

(g) [reserved];

(h) any Restricted Subsidiary may dissolve, liquidate or wind up its affairs at any time; *provided* that such dissolution, liquidation or winding up, as applicable, would not reasonably be expected to result in a Material Adverse Effect;

(i) licenses or leases of real or personal property in the ordinary course of business so long as such licenses or leases do not individually or in the aggregate interfere in any material respect with the ordinary conduct of the business of the Company and its Restricted Subsidiaries;

(j) licenses, sublicenses or similar transactions of intellectual property in the ordinary course of business so long as such licenses or sublicenses or similar transactions do not individually or in the aggregate interfere in any material respect with the ordinary conduct of the business of the Company and its Restricted Subsidiaries;

(k) the sale or other disposition of those Investments permitted by clauses (f), (k), (l) and (p) of the definition of Restricted Investments;

(l) any merger or consolidation of the Company or any Restricted Subsidiary in connection with a Permitted Acquisition, *provided* that (i) subject to the following clause (ii), in the case of any merger involving any Wholly Owned Subsidiary which is a Restricted Subsidiary, such Wholly Owned Subsidiary is the legal entity surviving the merger, (ii) in the case of any merger involving the Company, the Company is the legal entity surviving the merger, and (iii) in the case of any merger involving a Foreign Subsidiary which is a Restricted Subsidiary and a Domestic Subsidiary which is a Restricted Subsidiary, such Domestic Subsidiary is the legal entity surviving the merger; and

(m) the sale, transfer, lease, or other disposition of Property of the Company or any Restricted Subsidiary, in any single transaction or series of related transactions, which are not sales, transfers, leases, or disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole; *provided* that (i) the Company shall be in pro forma compliance with **Section 6.18** hereof and in the case of any sale, lease, transfer or other disposition in excess of U.S. $100,000,000 shall deliver to the Administrative Agent at least 3 Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to any such transaction a certificate confirming such pro forma compliance with **Section 6.18**, (ii) no sale, transfer, lease or other disposition of iron ore assets in the United States or any Equity Interests in Joint Ventures or any other Person holding such iron ore assets in the United States shall be permitted under this clause (m) (other than the sale of the assets or the common stock of Cliffs Erie) and (iii) no sale, transfer, lease or other disposition of Property under this clause (m) shall be permitted if after giving effect thereto, Liens on any then-remaining existing Collateral will have to be released in order for CNTA Covered Indebtedness to be within the CNTA Basket (assuming for purposes of this determination that all such CNTA Covered Indebtedness was incurred at such time);

provided that notwithstanding anything to the contrary set forth in any exception to this **Section 6.14**, in any case (1) the Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction (A) in reliance on the CNTA Basket or (B) that would require any Bonds to be equally and ratably secured with any other obligations and (2) the Company shall not permit any Guarantor to transfer any property or assets (other than cash to the extent otherwise permitted under the terms of this Agreement) to the Company.

Section 6.15. *Restricted Investments Prohibited.* The Company will not, nor will it permit any of its Restricted Subsidiaries to, have, make or authorize any Restricted Investments.

Section 6.16. *Dividends and Certain Other Restricted Payments.*

(a) After the occurrence and during the continuation of a Default or an Event of Default, the Company shall not, nor shall it permit any of its Restricted Subsidiaries to, (i) declare or pay any dividends on or make any other distributions in respect of any class or series of its capital stock or other equity interests (other than a dividend payable solely in stock or other equity interests) or (ii) directly or indirectly purchase, redeem, or otherwise acquire or retire any of its capital stock or other equity interests or any warrants, options, or similar instruments to acquire the same; provided, however, that the foregoing shall not operate to prevent the making of dividends or distributions, (x) by any Restricted Subsidiary of the Company to its parent corporation or (y) previously declared by the Company if at the declaration date such payment was permitted by the foregoing or (iii) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner (it being understood that payments of regularly scheduled principal, interest and mandatory prepayments shall be permitted) of any Bonds or any unsecured Indebtedness of any Company or any Subsidiary under **Section 6.12(k)** (actions described in this clause (iii), "**Junior Debt Prepayments**").

(b) In addition to and without limiting the requirements of **Section 6.16(a)**, (i) the aggregate amount of dividends and distributions referred to in clause **(i)** of **Section 6.16(a)** shall not exceed U. *S.* $~~0.15~~0.01 per common share in any fiscal quarter and U.S. $0.44 per depositary share in any fiscal quarter and (ii) no purchases, redemptions or other acquisitions or retirements referred to in clause **(ii)** of **Section 6.16(a)** shall be

September 30, 2014, permit the Senior Secured Leverage Ratio to be more than 3.50x to 1.00.

(b) *Minimum Interest Coverage Ratio*. The Company shall not, as of the last day of each fiscal quarter of the Company, permit the Interest Coverage Ratio at such time to be less than ~~3.50x to 1.00; *provided* that following the Step 2 Collateral Completion Date, the Company shall not, as of the last day of each fiscal quarter of the Company, permit the Interest Coverage Ratio at such time to be less than~~ 2.00x to 1.00.

Section 6.19. *Limitation on Assets and Operations of Cliffs Sonoma Entities.* The Company shall not permit the Cliffs Sonoma Entities to own any assets other than in connection with Sonoma and any other assets necessary or incidental thereto, and the Company shall not permit the Cliffs Sonoma Entities to engage in any business or activity other than in connection with Sonoma and any other activities necessary or incidental thereto.

Section 6.20. *Covenant to Give Security; Further Assurances* .

(a) Within 60 days of the Fifth Amendment Effective Date, the Company shall, and shall cause each other Loan Party to (a) deliver, at the Company's expense, a security agreement, substantially in the form of Exhibit J, and which shall provide among other things that the Obligations secured by Principal Property or Principal Subsidiary Interests (together with any other CNTA Covered Indebtedness) shall not exceed, at any time that any CNTA Covered Indebtedness is incurred, the CNTA Limit at such time so as to not require any Bonds to be equally and ratably secured with the Secured Obligations (as amended, restated, modified or supplemented from time to time pursuant to the terms thereof, the "**Security Agreement**"), duly executed by the Company and each Loan Party, pursuant to which each Loan Party shall grant a valid and perfected first-priority (subject to Permitted Liens) security interest in (1) accounts receivable, equipment, inventory and other personal property of the Loan Parties, in each case in which security interests may be perfected by the filing of a financing statement under the UCC in the central filing office of the state where the applicable Loan Party is located, subject to customary exclusions specified in the Security Agreement, (2) the equity interests owned by any Loan Party in all Material Subsidiaries (other than any Disregarded Domestic Subsidiary) of the Company and (3) the equity interests owned by any Loan Party in all Material Foreign Subsidiaries and all Material Subsidiaries which are Disregarded Domestic Subsidiaries of the Company, limited to 65% of the voting equity interests and 100% of the non-voting interests in such Material Foreign Subsidiaries and such Disregarded Domestic Subsidiaries (in each case, only to the extent that such grant under clause (3) would not give rise to any adverse tax consequence under Section 956 of the Code), together with:

and each other Loan Party, other than Excluded Accounts (as defined in the Security Agreement).

(c) Within 180 days of the Fifth Amendment Effective Date (subject to up to three 30-day extensions as the Administrative Agent may agree, such agreement not to be unreasonably withheld, delayed or conditioned) in the case of Material Real Property in which a Loan Party owns an interest, the Company shall, and shall cause each Loan Party to, provide, or, in the case of any Material Real Property in which a Loan Party has a leasehold interest where the terms of the lease of such leased real property (or applicable state law, if such lease is silent on the issue) prohibit a mortgage thereof, the Company shall, and cause each Loan Party to, use commercially reasonable efforts to cause the landlord to allow and if so allowed (without, for the avoidance of doubt, subjecting the Loan Parties or their properties to undue burden or expense in relation to the collateral value represent by such real property), shall provide the Administrative Agent with, (~~a~~A) a Mortgage for each Material Real Property, duly executed by the appropriate Loan Party, together with evidence that (1) counterparts of the Mortgages have been (i) duly executed, acknowledged and delivered and (ii) properly filed in all filing or recording offices that the Administrative Agent reasonably deems necessary or desirable in accordance with customary practices for real property interests of such type and for such location in order to create a valid first (subject to Permitted Liens) and subsisting Lien on the property described therein in favor of the Administrative Agent for the benefit of the Secured Parties and (2) all filing, documentary, stamp, intangible and recording taxes and fees have been paid, the delivery of a copy of a recorded Mortgage being sufficient evidence to satisfy the requirements of this clause (~~a~~A), (~~b~~B) with respect to any Building (as defined in the applicable Flood Insurance Laws) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Laws) comprising part of a Material Real Property that is a Flood Hazard Property, (1) the Company's written acknowledgement of receipt of written notification from the Administrative Agent as to the fact that such asset is a Flood Hazard Property and as to whether the community in which such Material Real Property is located is participating in a National Flood Insurance Program and (2) evidence of flood insurance in form and substance reasonably satisfactory to the Administrative Agent not to exceed the maximum amount available under the Flood Insurance Laws, (C) in the case of any Material Real Property having as-extracted collateral, the Company shall, and shall cause each applicable Loan Party to, provide the Administrative Agent with financing statements in form appropriate for filing in the appropriate jurisdiction under the applicable Uniform Commercial Code in order to perfect the Liens on such as-extracted collateral created under the Security Agreement (it being agreed for purposes of this clause (C) only that any location for which an as-extracted collateral filing was made in respect of the Permitted Securitization Financing shall be deemed to be a Material Real Property) and (~~c~~D) customary opinions of counsel to the Loan Party mortgagor with respect to the extent applicable to the perfection, enforceability, due authorization, execution and delivery of the applicable Mortgages and any related fixture filings in form and substance reasonably satisfactory to the Administrative Agent; *provided*, that such Mortgages, to the extent encumbering a Principal Property, shall provide that the Obligations secured by Principal Property or

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer or (ii) written notice thereof is given to the Company by the Administrative Agent;

(d) any representation or warranty made by the Company or any of its Restricted Subsidiaries herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan or Letter of Credit made or issued hereunder, proves untrue in any material respect as of the date of the issuance or making thereof;

(e) any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or the Company or any of its Restricted Subsidiaries takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it or any of its obligations thereunder that is not permitted hereunder;

(f) default shall occur under (i) any Indebtedness (other than any Canadian Existing Indebtedness) of the Company or any of its Restricted Subsidiaries aggregating in excess of U.S. $75,000,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness (whether or not such maturity is in fact accelerated), or any such Indebtedness shall not be paid when due (whether by demand, lapse of time, acceleration or otherwise) or (ii) any Hedge Agreement of the Company or any Restricted Subsidiary with any Lender or any Affiliate of a Lender other than a Hedge Agreement of any Canadian Entity which is stayed as a result of the Canadian Restructuring;

(g) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes , other than in respect of the Arbitration Award or any Canadian Existing Indebtedness, shall be entered or filed against the Company or any of its Restricted Subsidiaries, or against any of its Property, in an aggregate amount in excess of U.S. $75,000,000 (except to the extent fully (excluding any deductibles or self-insured retention) covered by insurance pursuant to which the insurer has accepted liability therefor in writing), and which remains undischarged, unvacated, unbonded or unstayed for a period of 30 days; *provided* that judgments, writs, warrants of attachment, or similar processes of any kind, including from Governmental Authorities against any of the Canadian Entities shall not constitute an Event of Default under this Section 7.01(g);

(h) the Company or any of its Restricted Subsidiaries, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of U.S. $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of U.S. $25,000,000 (collectively, a "**Material Plan**") shall be filed under Title IV of ERISA by the Company or any of its Restricted

Subsidiaries, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Company or any of its Restricted Subsidiaries, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(i) any Change of Control shall occur;

(j) the Company or any of its Restricted Subsidiaries (other than the Canadian Entities) shall (i) have entered involuntarily against it an order (or the filing of a notice of intention in respect of a case or proceeding in respect thereof) for relief under any Debtor Relief Law, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, interim receiver, receiver and manager, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under any Debtor Relief Law, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any Debtor Relief Law or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in **Section 7.01(k)** hereof;

(k) a custodian, receiver, interim receiver, receiver and manager, trustee, examiner, liquidator or similar official shall be appointed for the Company or any of its Restricted Subsidiaries, or any substantial part of any of its Property, or a proceeding described in **Section 7.01(j)(v)** shall be instituted against the Company or any of its Restricted Subsidiaries, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days; ~~or~~*provided* that any such appointment or proceeding relating to any Canadian Entity shall not constitute an Event of Default under this Section 7.01(k); or

(l) any Collateral Document or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof or as a result of acts or omissions of the Administrative Agent or any Lender), or any grantor, pledgor or mortgagor thereunder or any Loan Party shall deny or disaffirm in writing any grantor's, pledgor's or mortgagor's obligations under any Collateral Document.

Section 7.02. *Non-Bankruptcy Defaults.* When any Event of Default other than those described in subsection **(j)** or **(k)** of **Section 7.01** hereof has occurred and is continuing, the Administrative Agent shall, by written notice to the Company: (a) if so

(e) *Evidence of Payments*. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) *Status of Lenders*. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Company is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Company (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(g) Without limiting the generality of the foregoing, in the event that the Company is resident for tax purposes in the United States:

(i) any Lender that is a “United States person” within the meaning of Section 7701(a)(30) of the Code shall deliver to the Company and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Company or the Administrative Agent), executed originals of Internal Revenue Service form W-9 certifying, to the extent such Lender is legally entitled to do so, that such Lender is exempt from U.S. Federal backup withholding tax;

(ii) any Foreign Lender shall deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Company or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(A) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, claiming eligibility for benefits of an income tax treaty to which the United States is a party;

(B) duly completed copies of Internal Revenue Service Form W-8ECI;

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Company within the meaning of section 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, ;

(D) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating Lender granting a typical participation), executed originals of Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, as applicable, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; or

(E) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Company to determine the withholding or deduction required to be made;

(iii) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **Section 10.01(g)(iii)**, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Without limiting the obligations of the Lenders set forth above regarding delivery of certain forms and documents to establish each Lender's status for U.S. withholding tax purposes, each Lender agrees promptly to deliver to the Administrative Agent or the Company, as the Administrative Agent or the Company shall reasonably request, on or prior to the Closing Date, and in a timely fashion thereafter, such other documents and

Exhibit 12

Ratio of Earnings To Combined Fixed Charges
And Preferred Stock Dividend Requirements
(In Millions)

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Consolidated pretax income (loss) from continuing operations	**$ (9,603.7)**	$ 489.3	$ (501.8)	$ 2,190.5	$ 1,266.4
Undistributed earnings of non-consolidated affiliates	**(9.9)**	(74.4)	(404.8)	9.7	13.5
Amortization of capitalized interest	**0.3**	2.3	3.7	3.6	3.6
Interest expense	**187.4**	184.3	203.1	216.5	70.1
Acceleration of debt issuance costs	**3.6**	—	0.2	—	—
Interest portion of rental expense	**2.3**	2.1	2.8	3.6	4.6
Total Earnings	**$ (9,420.0)**	$ 603.6	$ (696.8)	$ 2,423.9	$ 1,358.2
Interest expense	**$ 187.4**	$ 184.3	$ 203.1	$ 216.5	$ 70.1
Acceleration of debt issuance costs	**3.6**	—	0.2	—	—
Interest portion of rental expense	**2.3**	2.1	2.8	3.6	4.6
Preferred Stock dividend requirements	**51.2**	48.7	—	—	—
Fixed Charges Requirements	**$ 244.5**	$ 235.1	$ 206.1	$ 220.1	$ 74.7
Fixed Charges and Preferred Stock Dividend Requirements	**$ 244.5**	$ 235.1	$ 206.1	$ 220.1	$ 74.7
RATIO OF EARNINGS TO FIXED CHARGES	(B)	2.6	(A)	11.0	18.2
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS	(B)	2.6	(A)	11.0	18.2

(A) For the year ended December 31, 2012, there was a deficiency of earnings to cover the fixed charges of $902.9 million.

(B) For the year ended December 31, 2014, there was a deficiency of earnings to cover the fixed charges of $9,664.5 million.

Exhibit 21

SIGNIFICANT SUBSIDIARIES
CLIFFS NATURAL RESOURCES INC. AS OF DECEMBER 31, 2014

Name	Cliffs' Effective Ownership	Place of Incorporation
Cleveland-Cliffs International Holding Company	100%	Delaware, USA
Cliffs (Gibraltar) Holdings Limited	100%	Gibraltar
Cliffs (Gibraltar) Holdings Limited Luxembourg S.C.S.	100%	Luxembourg
Cliffs (Gibraltar) Limited	100%	Gibraltar
Cliffs Finance US LLC	100%	Ohio, USA
Cliffs Finance Lux SCS	100%	Luxembourg
Cliffs Minnesota Mining Company	100%	Delaware, USA
Cliffs Natural Resources Luxembourg S.à r.l.	100%	Luxembourg
Cliffs TIOP Holding, LLC	100%	Delaware, USA
Cliffs TIOP, Inc.	100%	Michigan, USA
Cliffs UTAC Holding LLC	100%	Delaware, USA
Northshore Mining Company	100%	Delaware, USA
The Cleveland-Cliffs Iron Company	100%	Ohio, USA
United Taconite LLC	100%	Delaware, USA

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in:

Registration Statement No. 333-56661 on Form S-8 (as amended by Post-Effective Amendment No.1) pertaining to the Northshore Mining Company and Silver Bay Power Company Retirement Saving Plan and the related prospectus;

Registration statement No. 333-06049 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan;

Registration Statement No. 333-30391 on Form S-8 pertaining to the 1992 Incentive Equity Plan (as amended and restated as of May 13, 1997) and the related prospectus;

Registration Statement No. 333-84479 on Form S-8 pertaining to the 1992 Incentive Equity Plan (as amended and restated as of May 11, 1999);

Registration Statement No. 333-64008 on Form S-8 (as amended by Post-Effective Amendment No. 1 and Post-Effective Amendment No. 2) pertaining to the Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan (as amended and restated as of January 1, 2004);

Registration Statement No. 333-165021 on Form S-8 pertaining to the 2007 Incentive Equity Plan;

Registration Statement No. 333-172649 on Form S-8 pertaining to the 2007 Incentive Equity Plan (as amended and restated);

Registration Statement No. 333-184620 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2012 Incentive Equity Plan;

Registration Statement No. 333-186617 on Form S-3 pertaining to the registration of an indeterminate number of common shares, preferred stock, depositary shares, warrants and subscription rights as well as an indeterminate amount of debt securities that may from time to time be issued at indeterminate prices;

Registration Statement No. 333-197687 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2012 Incentive Equity Plan (as amended and restated); and

Registration Statement No. 333-197688 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2014 Nonemployee Directors' Compensation Plan.

of our reports relating to the consolidated financial statements and financial statement schedule of Cliffs Natural Resources Inc. and the effectiveness of Cliffs Natural Resources Inc.'s internal control over financial reporting dated February 25, 2015 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in accounting for discontinued operations), appearing in the Annual Report on Form 10-K of Cliffs Natural Resources Inc. for the year ended December 31, 2014.

/s/ *Deloitte & Touche LLP*

Cleveland, Ohio
February 25, 2015

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers of Cliffs Natural Resources Inc., an Ohio corporation ("Company"), hereby constitute and appoint C. Lourenco Goncalves, Terrance M. Paradie, P. Kelly Tompkins, James D. Graham and Timothy K. Flanagan, and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their name, place and stead, to sign on their behalf as a Director or officer of the Company, or both, as the case may be, an Annual Report on Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2014, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney or attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Executed as of the 10th day of February, 2015.

/s/ C. L. Goncalves

C. L. Goncalves
Chairman, President and Chief Executive Officer

/s/ J. T. Baldwin

J. T. Baldwin, Director

/s/ S. M. Green

S. M. Green, Director

/s/ J. S. Sawyer

J. S. Sawyer, Director

/s/ G. Stoliar

G. Stoliar, Director

/s/ T. K. Flanagan

T. K. Flanagan,
Vice President, Corporate Controller &
Chief Accounting Officer

/s/ D. C. Taylor

D. C. Taylor, Director

/s/ R. P. Fisher, Jr.

R. P. Fisher, Jr., Director

/s/ J. A. Rutkowski, Jr.

J. A. Rutkowski, Jr., Director

/s/ M. D. Siegal

M. D. Siegal, Director

/s/ T. M. Paradie

T. M. Paradie,
Executive Vice President & Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Lourenco Goncalves, certify that:

1. I have reviewed this annual report on Form 10-K of Cliffs Natural Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	February 25, 2015	By:	/s/ Lourenco Goncalves
			Lourenco Goncalves
			Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Terrance M. Paradie, certify that:

1. I have reviewed this annual report on Form 10-K of Cliffs Natural Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2015

By: /s/ Terrance M. Paradie

Terrance M. Paradie

Executive Vice President & Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Cliffs Natural Resources Inc. (the “Company”) on Form 10-K for the period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-K”), I, Lourenco Goncalves, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-K.

Date: February 25, 2015

By: /s/ Lourenco Goncalves

Lourenco Goncalves

Chairman, President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Cliffs Natural Resources Inc. (the “Company”) on Form 10-K for the period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-K”), I, Terrance M. Paradie, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-K.

Date: February 25, 2015

By: /s/ Terrance M. Paradie

Terrance M. Paradie

Executive Vice President & Chief Financial Officer

Exhibit 95

Mine Safety Disclosures

The operation of our mines located in the United States is subject to regulation by MSHA under the FMSH Act. MSHA inspects these mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the FMSH Act. We present information below regarding certain mining safety and health citations that MSHA has issued with respect to our mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the mine; (ii) the number of citations issued will vary from inspector to inspector and mine to mine, and (iii) citations and orders can be contested and appealed and, in that process, are often reduced in severity and amount, and are sometimes dismissed.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act, we present the following items regarding certain mining safety and health matters, for the period presented, for each of our mine locations that are covered under the scope of the Dodd-Frank Act:

(A) The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the FMSH Act (30 U.S.C. 814) for which the operator received a citation from MSHA;

(B) The total number of orders issued under section 104(b) of the FMSH Act (30 U.S.C. 814(b));

(C) The total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the FMSH Act (30 U.S.C. 814(d));

(D) The total number of imminent danger orders issued under section 107(a) of the FMSH Act (30 U.S.C. 817(a));

(E) The total dollar value of proposed assessments from MSHA under the FMSH Act (30 U.S.C. 801 et seq.);

(F) The total number of mining related fatalities;

(G) Legal actions pending before Federal Mine Safety and Health Review Commission involving such coal or other mine as of the last day of the period;

(H) Legal actions initiated before the Federal Mine Safety and Health Review Commission involving such coal or other mine during the period; and

(I) Legal actions resolved before the Federal Mine Safety and Health Review Commission involving such coal or other mine during the period.

During the year ended December 31, 2014, our U.S. mine locations did not receive any flagrant violations under Section 110(b)(2) of the FMSH Act and no written notices of a pattern of violations, or the potential to have a pattern of such violations, under section 104(e) of the FMSH Act.

Following is a summary of the information listed above for the year ended December 31, 2014:

		Year Ended December 31, 2014									
		(A)	(B)	(C)	(D)	(E)	(F)	(G)		(H)	(I)
Mine Name/ MSHA ID No.	Operation	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Orders	Section 107(a) Citations & Orders	Total Dollar Value of MSHA Proposed Assessments (1)	Fatalities	Legal Actions Pending as of Last Day of Period		Legal Actions Initiated During Period	Legal Actions Resolved During Period
Pinnacle Mine / 4601816	Coal	117	1	—	2	$ 443,406	—	27	(2)	7	21
Pinnacle Plant / 4605868	Coal	8	—	—	—	$ 9,001	—	1	(3)	1	2
Green Ridge #1 / 4609030	Coal	—	—	—	—	—	—	—		—	—
Green Ridge #2 / 4609222	Coal	—	—	—	—	—	—	—	—	—	3
Oak Grove / 0100851	Coal	119	1	1	—	$ 267,027	—	65	(4)	33	33
Concord Plant / 0100329	Coal	1	—	—	—	$ 489	—	—		1	1
Dingess-Chilton / 4609280	Coal	—	—	—	—	$ —	—	1	(5)	—	17
Powellton / 4609217	Coal	159	—	2	—	$ 352,928	—	14	(6)	15	29
Saunders Prep / 4602140	Coal	9	—	—	—	$ 562	—	—	—	—	1
Toney Fork / 4609101	Coal	9	—	—	—	$ 8,019	—	3	(7)	3	4
Elk Lick Tipple / 4604315	Coal	4	—	—	—	$ 262	—	—	—	—	1
Lower War Eagle / 4609319	Coal	97	—	—	—	$ 158,358	—	18	(8)	20	13
Elk Lick Chilton / 4609390	Coal	—	—	—	—	—	—	—		—	—
Tilden / 2000422	Iron Ore	33	—	2	—	$ 211,913	—	13	(9)	11	4
Empire / 2001012	Iron Ore	49	—	—	—	$ 183,981	—	11	(10)	6	1
Northshore Plant / 2100831	Iron Ore	20	—	—	—	$ 382,952	—	17	(11)	5	1
Northshore Mine / 2100209	Iron Ore	—	—	—	—	$ —	—	—	—	—	—
Hibbing / 2101600	Iron Ore	37	—	—	—	$ 324,653	—	28	(12)	41	29
United Taconite Plant / 2103404	Iron Ore	32	—	1	—	$ 531,351	—	16	(13)	71	69
United Taconite Mine / 2103403	Iron Ore	15	1	—	1	$ 30,280	—	1	(14)	2	2

(1) Amounts included under the heading "Total Dollar Value of MSHA Proposed Assessments" are the total dollar amounts for proposed assessments received from MSHA on or before December 31, 2014.

(2) Included in this number are 9 pending legal actions related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules; 17 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules; and 1 pending legal action related to complaints of discharge, discrimination or interference referenced in Subpart E of FMSH Act's procedural rules.

(3) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(4) Included in this number are 3 pending legal actions related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules; 53 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules; 1 pending legal action related to complaints for compensation referenced in Subpart D of FMSH Act's procedural rules; and 8 appeals of judges' decisions or orders to FMSH Act's procedural rules.

(5) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(6) Included in this number are 1 pending legal action related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules and 13 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(7) This number consists of 3 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(8) Included in this number are 1 pending legal action related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules and 17 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(9) Included in this number are 11 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules and 2 pending legal actions related to complaints of discharge, discrimination or interference referenced in Subpart E of FMSH Act's procedural rules.

(10) Included in this number are 9 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules and 2 pending legal actions related to complaints of discharge, discrimination or interference referenced in Subpart E of FMSH Act's procedural rules.

(11) This number consists of 17 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(12) Included in this number are 16 pending legal actions related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules; 7 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural

rules; 1 pending legal action related to complaints of discharge, discrimination or interference referenced in Subpart E of FMSH Act's procedural rules; and 4 appeals of judges' decisions or orders to FMSH Act's procedural rules.

(13) Included in this number are 13 pending legal actions related to contests of citations and orders referenced in Subpart B of FMSH Act's procedural rules and 3 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(14) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

Exhibit 99(a)

Cliffs Natural Resources Inc. and Subsidiaries
Schedule II – Valuation and Qualifying Accounts
(Dollars in Millions)

Classification	Balance at Beginning of Year	Additions: Charged to Cost and Expenses	Additions: Charged to Other Accounts	Additions: Acquisition	Deductions	Balance at End of Year
Year Ended December 31, 2014:						
Deferred Tax Valuation Allowance	$ 864.1	$ 1,689.2	$ (8.6)	$ —	$ 319.6	$ 2,225.1
Accounts Receivable Allowance	$ 8.1	$ —	$ —	$ —	$ —	$ 8.1
Year Ended December 31, 2013:						
Deferred Tax Valuation Allowance	$ 858.4	$ 86.6	$ (65.5)	$ —	$ 15.4	$ 864.1
Accounts Receivable Allowance	$ 8.1	$ —	$ —	$ —	$ —	$ 8.1
Year Ended December 31, 2012:						
Deferred Tax Valuation Allowance	$ 223.9	$ 635.8	$ —	$ —	$ 1.3	$ 858.4
Accounts Receivable Allowance	$ —	$ 8.1	$ —	$ —	$ —	$ 8.1