

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**Current Report**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) July 31, 2012**

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**Cliffs Natural Resources Inc.**

(Exact name of registrant as specified in its charter)

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**Ohio**  
(State or Other Jurisdiction  
of Incorporation)

**1-8944**  
(Commission File Number)

**34-1464672**  
(IRS Employer  
Identification Number)

**200 Public Square, Suite 3300,  
Cleveland, Ohio**  
(Address of Principal Executive Offices)

**44114-2315**  
(Zip Code)

**Registrant's telephone number, including area code:  
(216) 694-5700**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01 Regulation FD Disclosure.**

On July 31, 2012, Cliff Natural Resources Inc. will hold its 2012 Analyst and Investor Day. The presentation to be used in connection with the 2012 Analyst and Investor Day is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The information in this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	2012 Analyst and Investor Day Presentation

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cliffs Natural Resources Inc.

Date: July 31, 2012

By: /s/ Carolyn E. Cheverine  
Name: Carolyn E. Cheverine  
Title: General Counsel – Corporate Affairs & Secretary

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**EXHIBIT INDEX**

**Exhibit  
Number**

**Description**

99.1 2012 Analyst and Investor Day Presentation

# CLIFFS NATURAL RESOURCES

## 2012 ANALYST AND INVESTOR DAY



## “SAFE HARBOR” STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation and accompanying oral remarks contain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of predictive, future-tense or forward-looking terminology, such as “believes,” “anticipates,” “expects,” “estimates,” “intends,” “may,” “will” or similar terms. These statements speak only as of the date of this presentation and we undertake no ongoing obligation, other than that imposed by law, to update these statements. These statements appear in a number of places in this presentation and relate to our intent, belief or current expectations of our directors or our officers with respect to: our future financial condition, results of operations or prospects; estimates of our economic iron ore and coal reserves; our business and growth strategies; and our financing plans and forecasts. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those contained in or implied by the forward-looking statements as a result of various factors, some of which are unknown, including, without limitation:

- the ability to successfully integrate acquired companies into our operations;
- uncertainty or weaknesses in global and/or market economic conditions, including any related impact on prices;
- trends affecting our financial condition, results of operations or future prospects;
- the ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions to reflect a shorter-term or spot-base pricing mechanism;
- the outcome of any contractual disputes with our customers or significant energy, material or service providers;
- the outcome of any arbitration or litigation;
- changes in sales volume or mix;
- the impact of price-adjustment factors on our sales contracts;
- the ability of our customers to meet their obligations to us on a timely basis or at all;
- our actual economic ore reserves or reductions in current resource estimates;
- the success of our business and growth strategies;
- our ability to successfully identify and consummate any strategic investments;
- our ability to achieve post-acquisition synergies;
- events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets;
- the results of pre-feasibility and feasibility studies in relation to projects;
- impacts of increasing governmental regulation including failure to receive or maintain required environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity;
- adverse changes in currency values, currency exchange rates and interest rates;
- the success of our cost-savings efforts;
- our ability to maintain adequate liquidity and successfully implement our financing plans;
- our ability to maintain appropriate relations with unions and employees;
- uncertainties associated with unanticipated geological conditions, natural disasters, weather conditions, supply and price of energy, equipment failures and other unexpected events;
- risks related to international operations;
- the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; and
- the risk factors referred to or described in the “Risk Factors” section of our documents filed with the Securities and Exchange Commission.

Reference is made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company's Annual Report and Reports on Form 10-K, Form 10-Q and previous documents filed with the Securities and Exchange Commission, which are publicly available on Cliffs Natural Resources Inc.'s website. The information contained in this document speaks as of today and may be superseded by subsequent events.

We caution you that the foregoing list of important factors is not exclusive. In addition, in light of these risks and uncertainties, the matters referred to in our forward-looking statements may not occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law. We also strongly urge you to not rely on any single financial measure to evaluate our business.

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## TODAY'S AGENDA

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<b>1:00pm – 1:20pm</b>	<b>Macro Overview and Cliffs in Canada</b>	<b>J. Carrabba</b>
<b>1:20pm – 1:50pm</b>	<b>Total Shareholder Return and Bloom Lake Financials</b>	<b>L. Brlas</b>
<b>1:50pm – 2:10pm</b>	<b>Bloom Lake Optimization and Operations</b>	<b>D. Blake</b>
<b>2:10pm – 2:35pm</b>	<b>Q&amp;A and Break</b>	
<b>2:35pm – 2:50pm</b>	<b>Global Exploration</b>	<b>C. Smith</b>
<b>2:50pm – 3:30pm</b>	<b>Building a World Class Chrome Business</b>	<b>B. Boor</b>
<b>3:30pm – 4:00pm</b>	<b>Closing and Q&amp;A</b>	<b>J. Carrabba</b>

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**CLIFFS NATURAL RESOURCES**  
JOE CARRABBA





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## OUR STRATEGIC IMPERATIVES REMAIN THE SAME

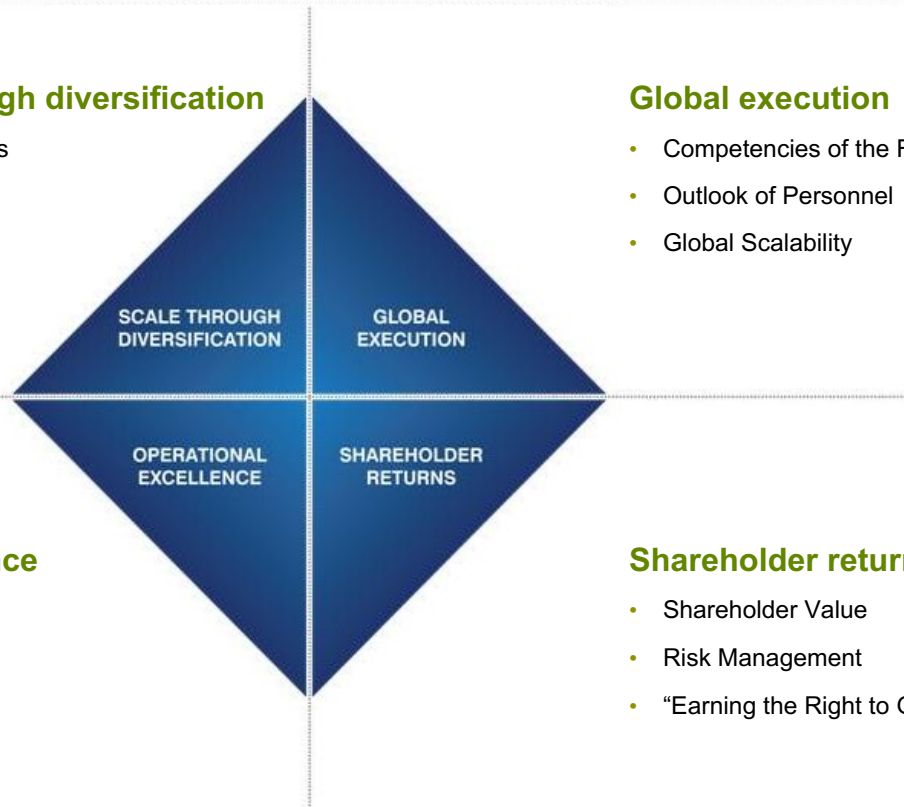
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### Building scale through diversification

- Multiple Revenue Streams
- Product Diversification
- Geographic Presence

### Global execution

- Competencies of the Firm
- Outlook of Personnel
- Global Scalability



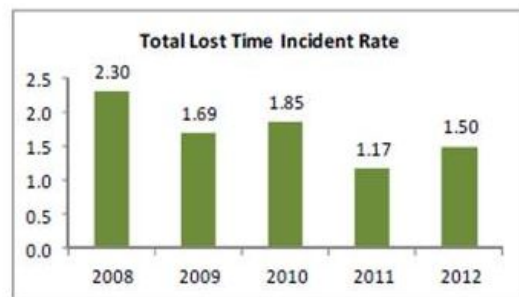
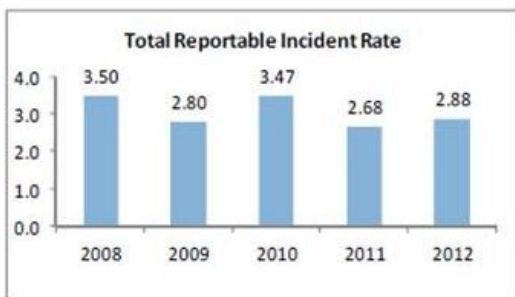
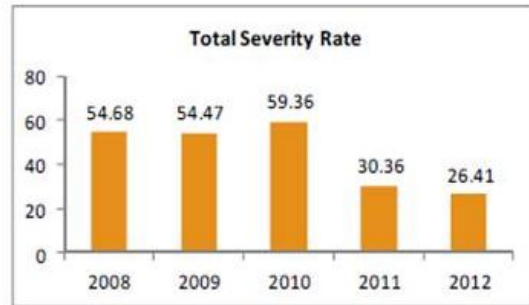
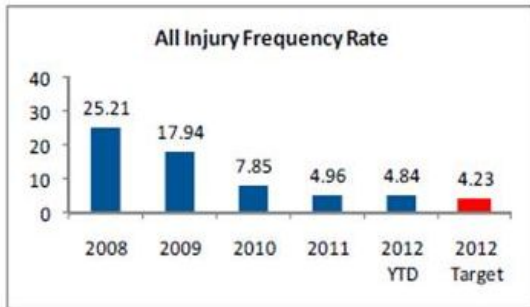
### Operational excellence

- Safety
- Technical Competencies
- Operating Efficiencies

### Shareholder returns

- Shareholder Value
- Risk Management
- “Earning the Right to Grow”

## SAFETY



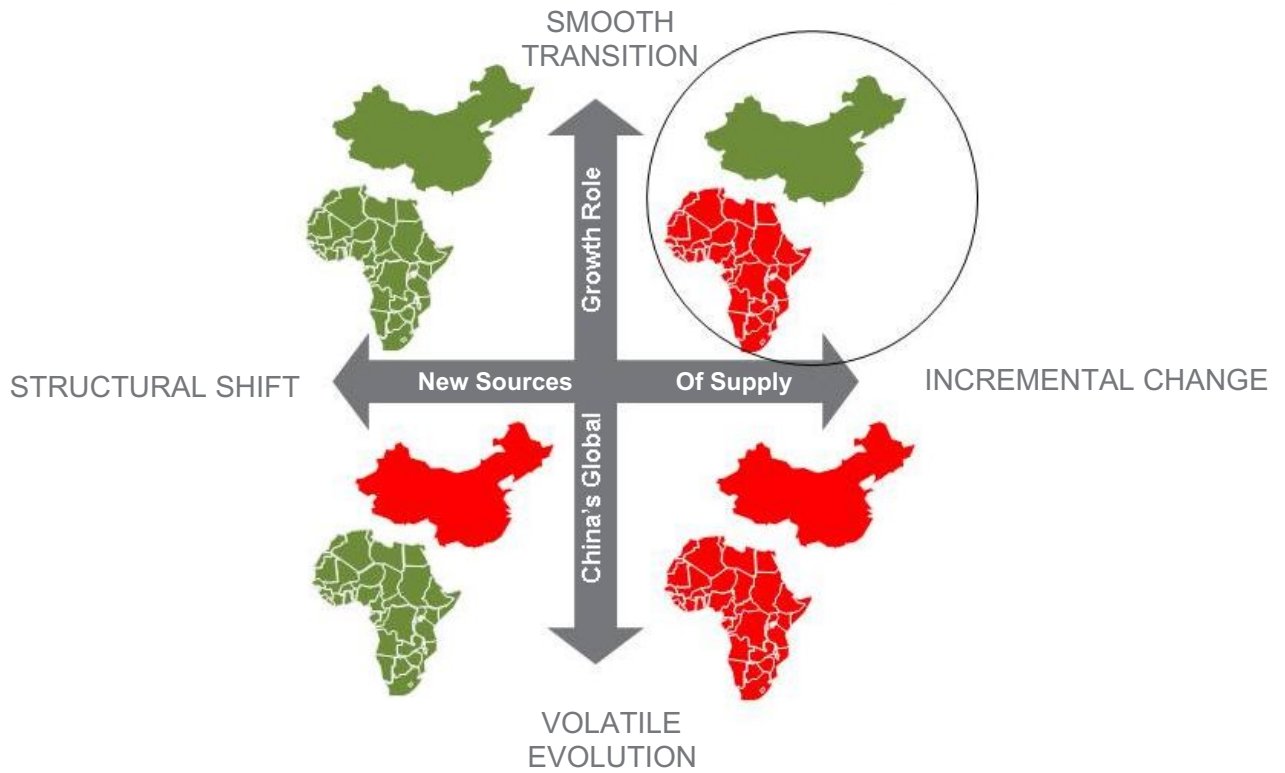
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## CLIFFS IS A MORE MATURE, DYNAMIC AND SOPHISTICATED COMPANY IN 2012

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- International mining and natural resources company, member of the S&P 500
- Diverse, global footprint with major operations in the Upper Midwest and Appalachian United States, Eastern Canada and Western Australia
- Developing an advanced pipeline of organic growth opportunities
- Information, Human Capital and Talent Management systems consistent with S&P 500-level organization
- Transitioning to more rigorous and methodical economic value-based management

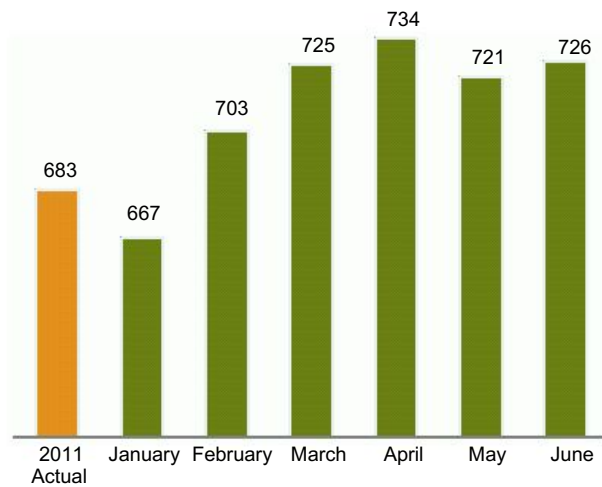
MEGATRENDS: CHINA WILL KEEP GROWING, AFRICAN SUPPLY WILL CONTINUE TO FACE BARRIERS



## 2012 CHINA CRUDE STEEL PRODUCTION GROWING BUT VOLATILE

ANNUALIZED 2012 CHINESE STEEL PRODUCTION BY MONTH (MILLION METRIC TONS)

SAMPLE OF CORRESPONDING MEDIA HEADLINES (JANUARY – JUNE)



### JANUARY

Slow Construction Sector in China Weighs on Steel Demand

### FEBRUARY

Global Steel Production up in February as China Switches On

### MAY

Crude Steel Output Drops in May

### JUNE

China's \$23 Billion Steel Push Seen Igniting Iron Ore

Source: Cliffs, National Bureau of Statistics, Bloomberg

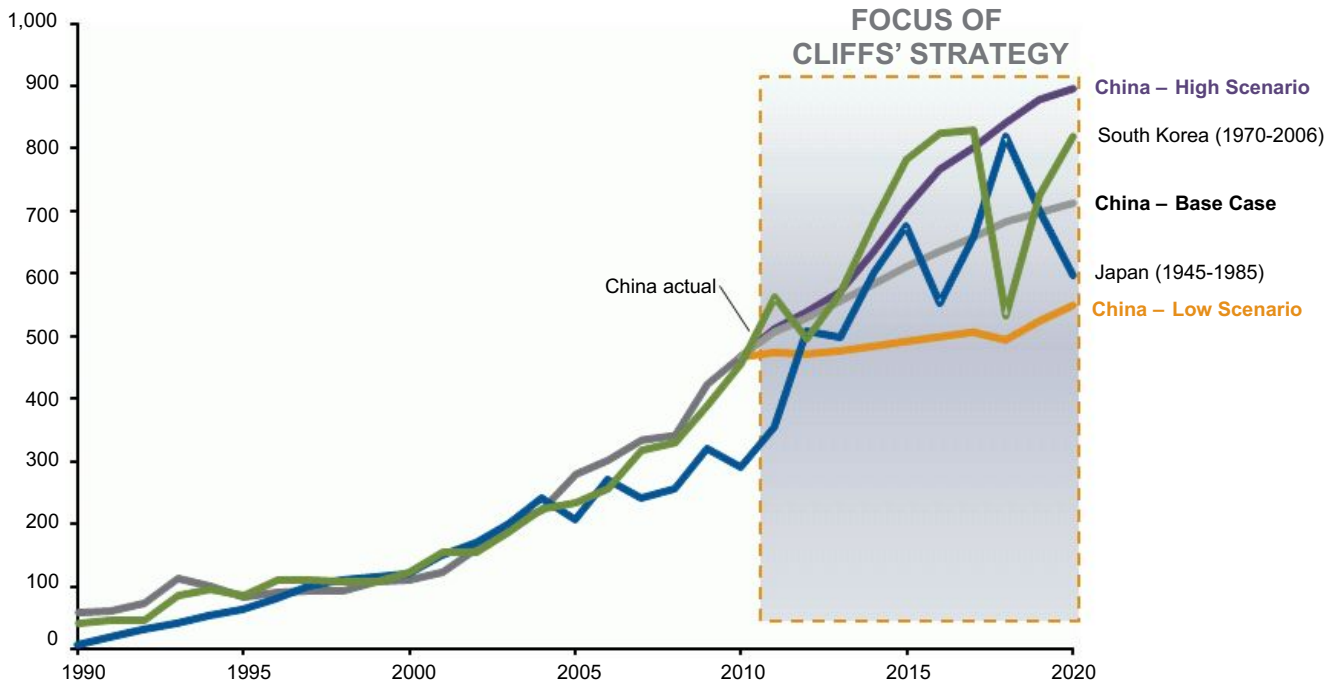
## ENVIRONMENT IN CHINA IS DYNAMIC, FULL OF CONTRADICTION

- Fundamentals remain strong; property market crackdown now a year old – inflation in check
- The People's Bank of China reserve requirement and interest rate cuts positioning economy for accelerated second half growth
- China Iron and Steel Association (CISA), representing 80 State-owned enterprise mills, continues to message negatively...
- ... while 2 mills with 10 million tons of capacity approved (Baosteel and Wuhan) in Southern China



## PAST INDUSTRIALIZATION PATTERNS SHOWS CHINA VOLATILITY IMMINENT

STEEL CONSUMPTION PER PERSON (kg)



Source: The World Bank; Global Insights; National Bureau of Statistics China; ISI Emerging Markets; Japanese Statistics Bureau

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## OVERVIEW – GLOBAL IRON ORE SUPPLY

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- The Big 4 are committed to short-term, large scale expansions of about 500mtpa in total
- In addition, they are close to decisions on further expansions of over 500mtpa in total
- Miners outside of the Big 4 have matched the Big 4's expansion rates to date, but may struggle in the future due to capital, industry and quality constraints
- Structural issues will make it very difficult for China to expand production domestically
- India's near-term impact on the global iron ore market will likely be small
- Significant growth of West African exports is contingent upon the construction of high-capacity deep water ports and uncertainty of capital and sovereign risk

Note: India's impact of seaborne market expected to be +/- 60mtpa i.e. a smaller impact than a single major project for any one of the 'Big 4'



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## OPPOSING FORCES IMPACTING SUPPLY EXPANSIONS

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### FORCES SUPPORTING SUPPLY RESPONSE

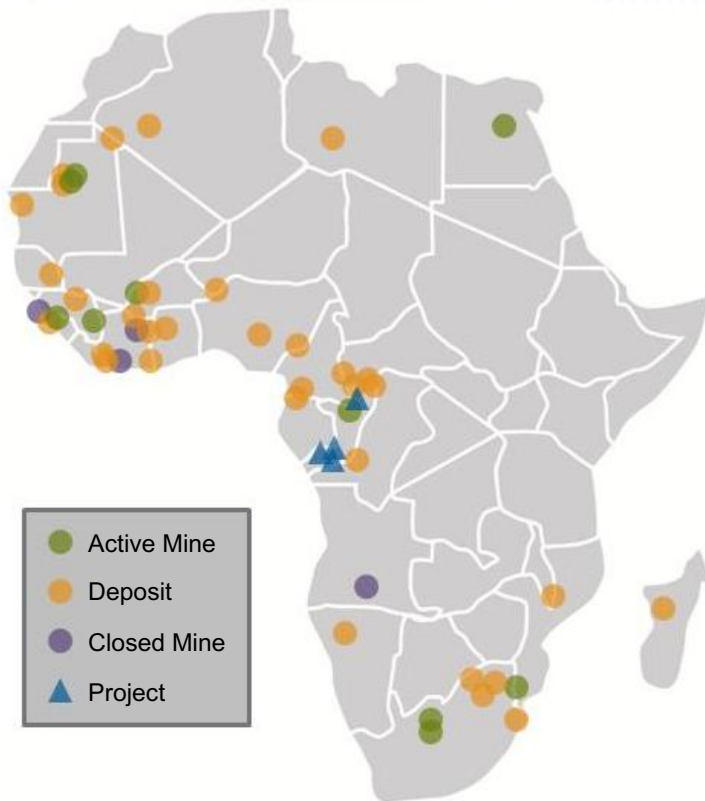
- Window of high prices encourages accelerated expansions and new entrants



### FORCES HINDERING SUPPLY RESPONSE

- Government approvals more stringent and more time intensive
- Investors and boards pressure to return capital as cycle wanes
- Operations are becoming increasingly complex, and necessary logistics and skills availability is tight
- As scale increases, capacity replenishment increasingly difficult

## MONITORING MINING DEVELOPMENTS IN AFRICA

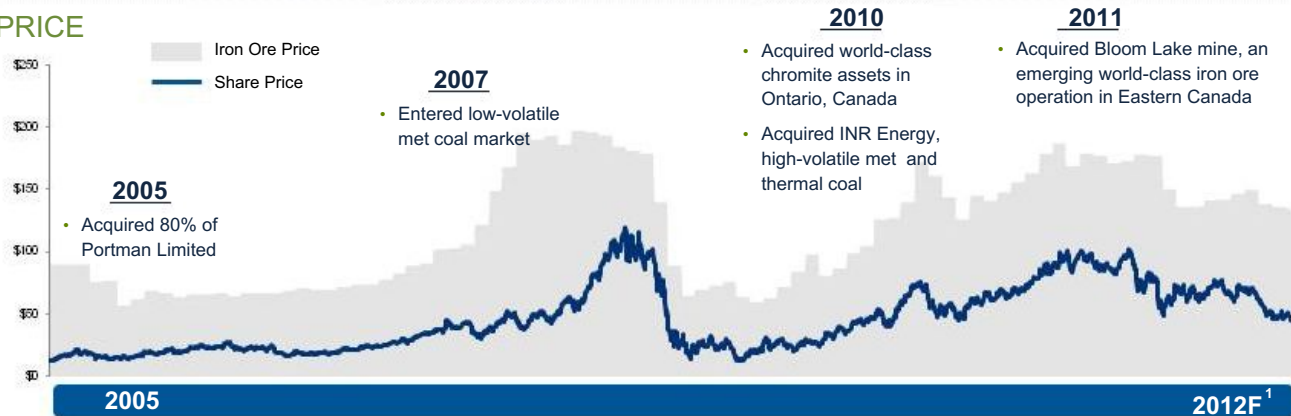


- Many deposits and prospects but little meaningful supply online
- Lack of deep water ports, rail or required stability of political environments
- Most likely project, Simandou, would have first production in 2015
- In 2011, Africa only produced about 80 million tons of iron ore

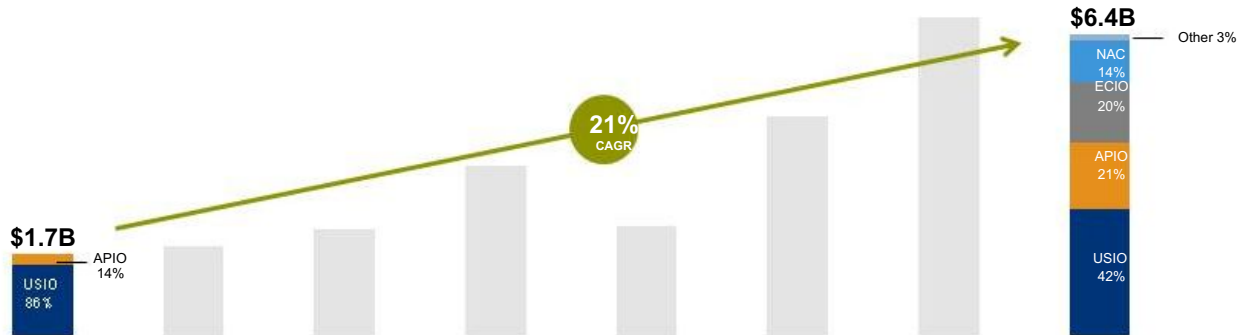
Source: Global Iron Ore - Intierra, AME Iron Ore Outlook

# SINCE 2005 WE HAVE MAINTAINED OUR LONG-TERM STRATEGY THROUGH TIMES OF PRICING VOLATILITY AND UNCERTAINTY

## PRICE



## SALES



<sup>1</sup> Share Price and Iron Ore Price data provided up until July 15, 2012

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## DEVELOPING A VALUE-BASED MANAGEMENT SYSTEM TO DRIVE TOTAL SHAREHOLDER RETURN

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### DESCRIPTION

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**1** ENGAGE TSR AS MANAGEMENT TOOL

- Align goals with top-quartile relative TSR against our peers
- Ensure discipline and prioritization in all processes, from target setting to incentives

**2** DEPLOY CLIFFS WIDE

- Launched as planning and target setting tool at corporate level
- Roll-out training to employees

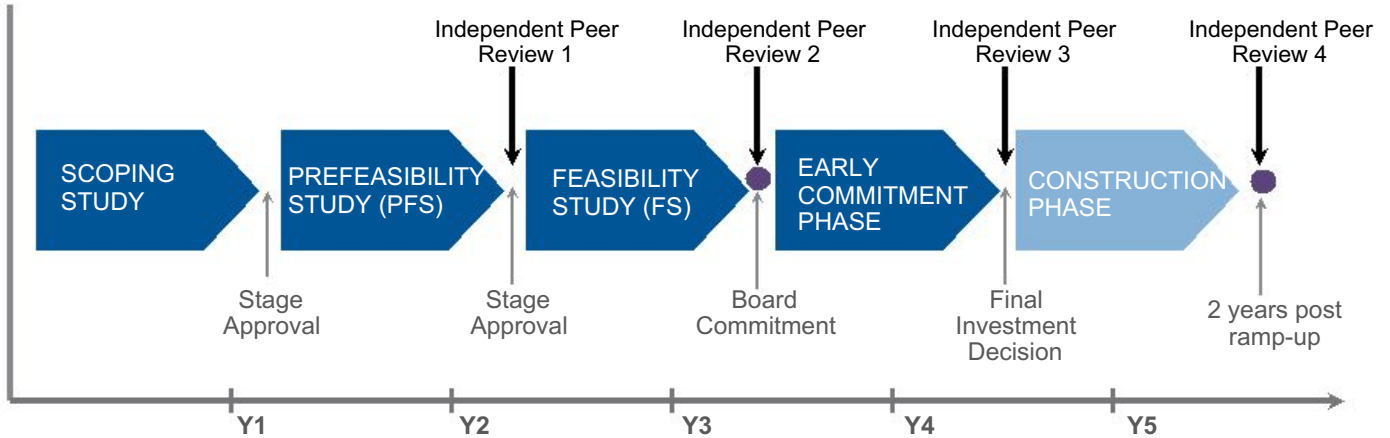
**3** INTEGRATE TSR INTO CONTROL SYSTEMS

- Link capital allocation, incentive and other systems
- Reshaped portfolio and capital prioritization
- Long-term incentive plan based 100% on relative TSR

**ADOPTION OF TSR WILL ENHANCE THE ABILITY TO OPTIMALLY MANAGE TRADE OFFS AND MAXIMIZE SHAREHOLDER VALUE**

## ENTIRE CAPITAL INVESTMENT SYSTEM (CIS) OCCURS WITHIN TYPICAL APPROVAL TIMELINES

TYPICAL ENVIRONMENTAL PERMITTING AND APPROVALS PROCESS... 4½ - 5 YEARS

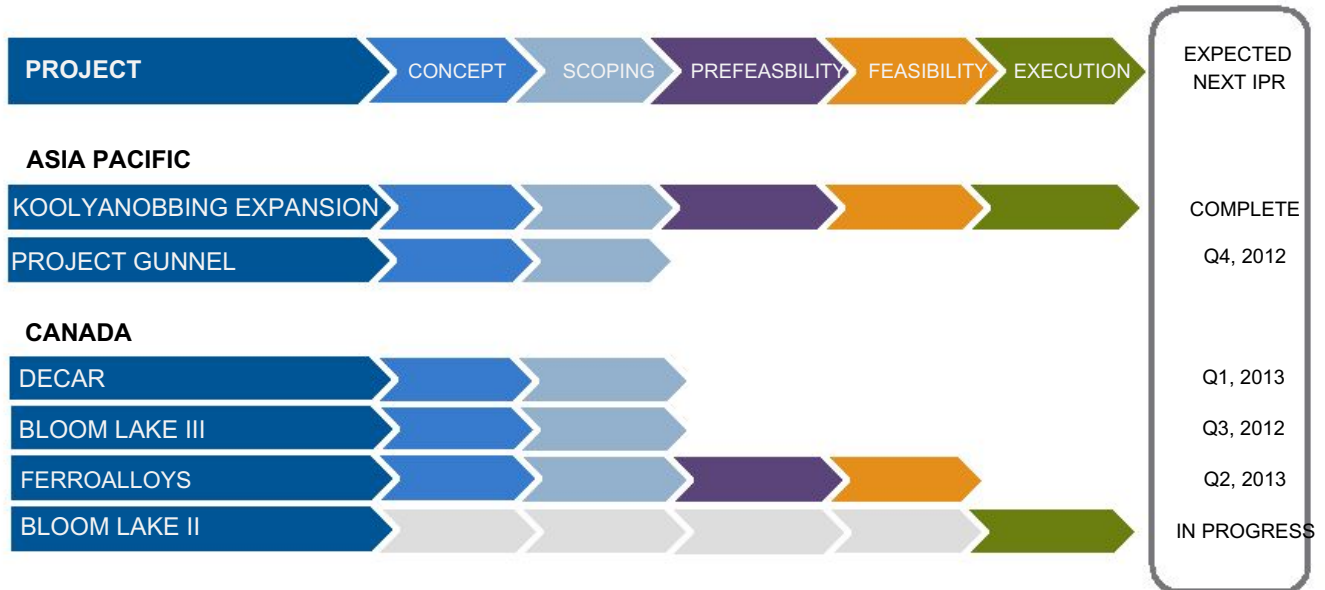



## TYPICAL BUDGET DISTRIBUTION ACROSS STUDIES...



## CIS PROJECTS BY STUDY PHASE

- CIS is a deliberate and disciplined process to ensure effective deployment of capital in a project setting.



 Indicates project did not complete all stage-gates of CIS process due to timing of acquisition

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## SUMMARY

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- Megatrends intact and Cliffs' strategic direction positioning company to capitalize on Eastern Canada and Australia expansions
- While volatile, Cliffs' view is China continues as engine of demand for steelmaking raw materials, incumbent producers will benefit
- Marginal cost producers will continue providing floor for pricing
- West African and other supply response will be delayed by capital/investor uncertainty, cost inflation and approvals/execution delays
- Cliffs' strategic levers include quality products, financial flexibility and strength of legacy operations' market positions

**CLIFFS NATURAL RESOURCES**  
LAURIE BRAS





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SINCE THE SECOND HALF OF 2011, WE HAVE BEEN ASSESSING HOW WE COULD USE OUR CASH TO MAXIMIZE SHAREHOLDER VALUE

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**Potential Uses**

- Assessed current project pipeline
- Analyzed drivers of relative valuation for Cliffs vs. peers from 2006 – 2011
- Reviewed potentially available M&A opportunities
- Analyzed relative impact from buybacks vs. dividends

**Market Context**

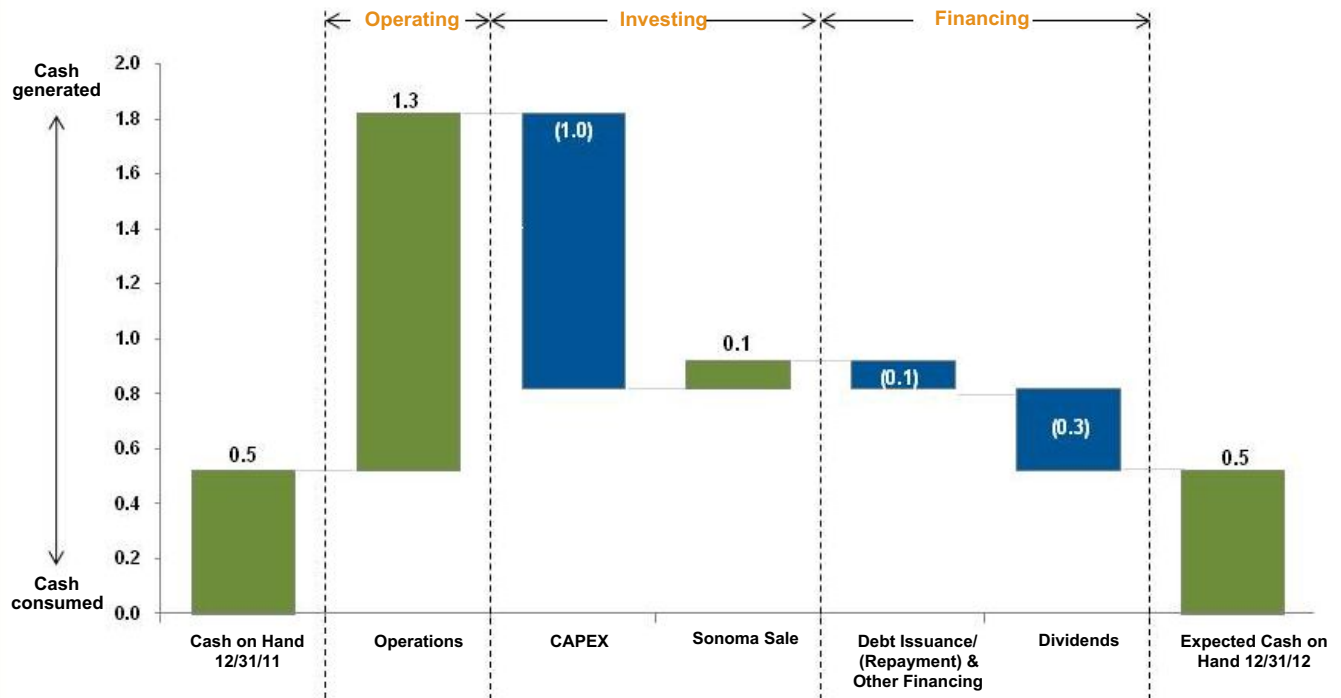
- Captured feedback from our largest investors on shareholder value creation, strategy and capital allocation
- Validated quantitative results of historical multiple drivers

**Sustainability**

- Scenario pressure-testing
- Analyzed impact on liquidity and TSR of various options
- Analyzed current debt level and paydown schedule
- Assessed potential rating agency responses to uses of cash

## FREE CASH FLOW

### SOURCES AND USES OF CASH IN 2012 (\$B)



1. Operating cash flow includes effect of non-cash operating activities, including but not limited to, those related to deferred taxes, hedge contracts and equity investments.

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## CAPITAL ALLOCATION STRATEGY PRIORITIZES ORGANIC GROWTH AND DIVIDENDS

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### PRIORITY



ORGANIC  
GROWTH

- Support and reinforce Cliffs' profitable organic growth potential
- Ability to fund organic growth and still have significant cash available

DIVIDENDS

- Reward investors and reinforce capital allocation discipline
- Commit to pay dividend regularly, grow it based on future performance

DEBT  
REDUCTION

- Continue significant debt reductions
- Maintain investment-grade rating

M&A

- Focus on execution and organic growth pipeline
- Select TSR-accretive M&A as conditions warrant

BUYBACKS

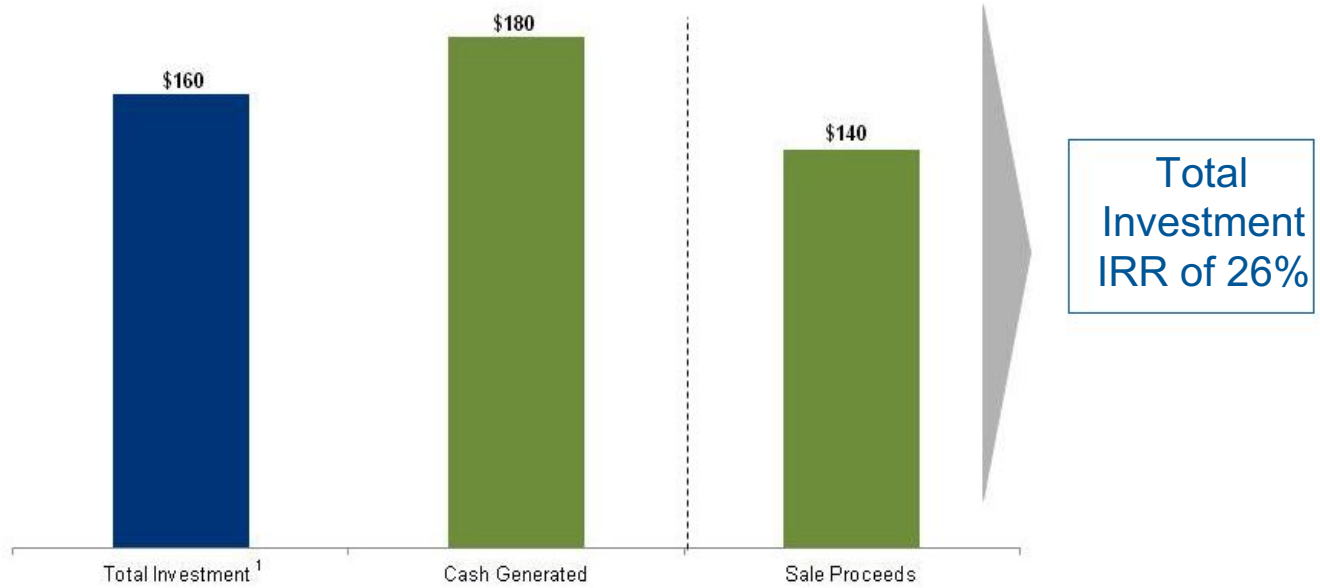
- Secondary to dividends as means of returning cash to shareholders
- Selective buybacks at attractive valuations

MOVING FORWARD, CAPITAL ALLOCATION TO BE DETERMINED  
BY CONTRIBUTION TO TOTAL SHAREHOLDER RETURNS

## DRIVING SHAREHOLDER VALUE WITH SALE OF SONOMA

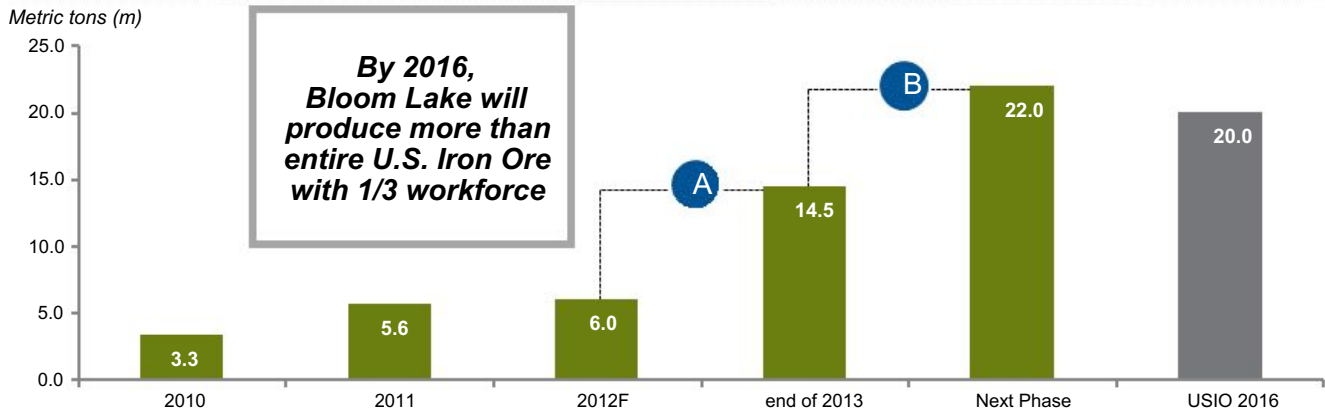
### SONOMA INVESTMENT (US\$M)

2007 - 2012



<sup>1</sup>Total investment includes initial investment and capital expenses

## EASTERN CANADA POSITIONED TO BECOME OUR LARGEST BUSINESS SEGMENT



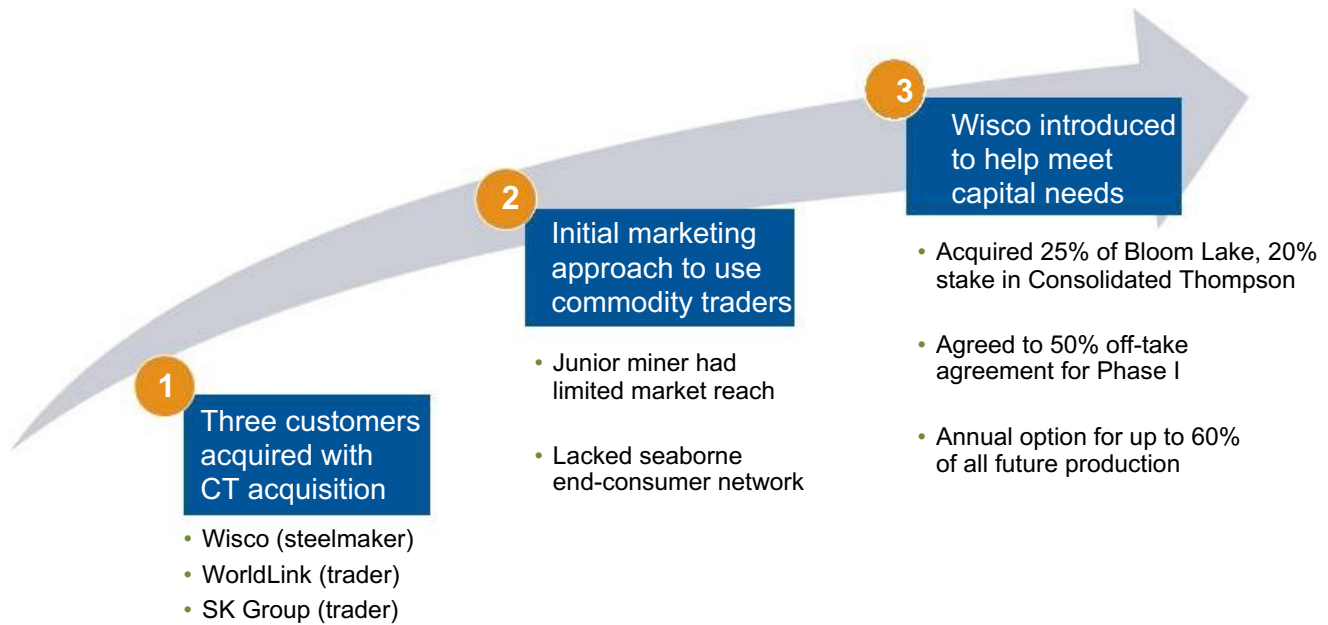
### A PHASE II – GROWTH TO 14.5 MTPA

- Phase I “process learnings” and incorporated into Phase II startup
- Overland conveyor investment
- Mine development and tailings basin expansion by 2012/2013
- First-half 2013 start-up

### B FUTURE GROWTH BEYOND 22 MTPA

- Resource within current mining location
- Currently in CIS-approved scoping phase, prefeasibility by 2012
- Anticipated lower spending by leveraging existing Phase I & II infrastructure
- Targeting 2016 production

## PREVIOUS MARKETING AND SALES STRATEGY FOR BLOOM LAKE CONCENTRATE



PRIOR TO CLIFFS' CONTROL, MARKET STRATEGY  
DRIVEN BY FINANCIAL NECESSITY

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## CLIFFS STRATEGY: ACHIEVE CUSTOMER AND GEOGRAPHICAL DIVERSITY

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Identify 'priority' customers beyond Wisco base tons

- Promoting high Fe content and low impurities
- Exploiting opportunities due to declining competitor ore grades

Technical evaluation of Bloom Lake concentrates

- Conduct technical sinter test work
- Collaborating with Wisco on use of Bloom Lake in sinter plants

Industrial plant trials with priority customers

- Trial cargoes arranged this year, with plant data results expected in late 2012 / early 2013
- Customers include Nippon Steel, Posco, China Steel and mills in Europe

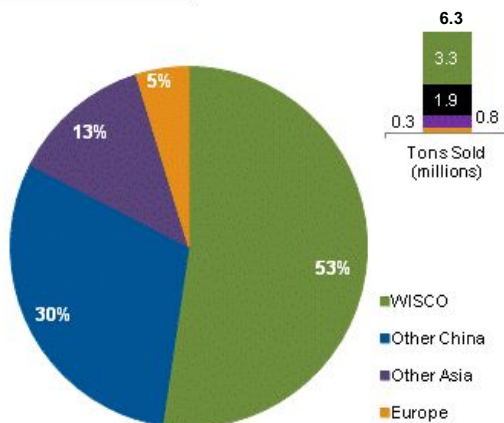
Alternative markets and other opportunities

- Explore other products for Bloom Lake concentrate
- Micro-pelletizing, cold briquetting

## FUTURE SALES DIVERSIFICATION TARGETS

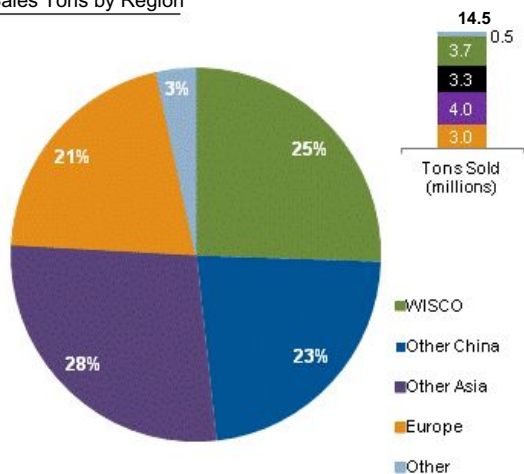
### 2012 CURRENT ESTIMATE (PHASE I)

Sales Tons by Region



### TARGETED ANNUAL SALES (PHASE I & II)

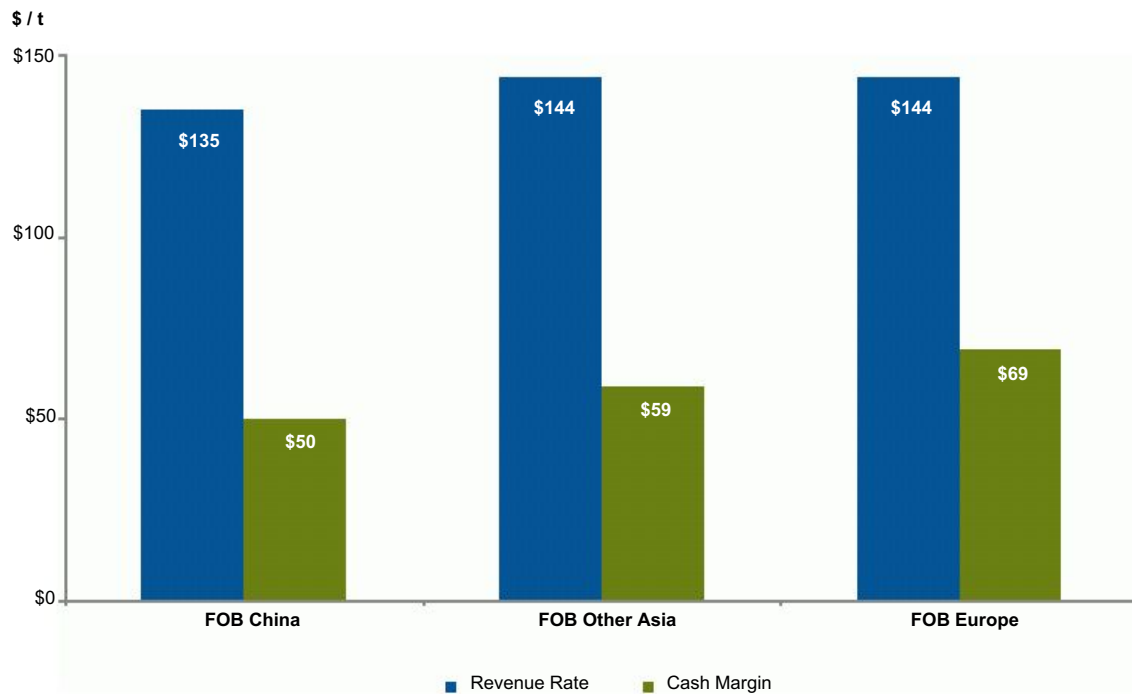
Sales Tons by Region



**BOTH CUSTOMER AND GEOGRAPHIC DIVERSIFICATION  
ACHIEVABLE FOR BLOOM LAKE CONCENTRATE PRODUCT**



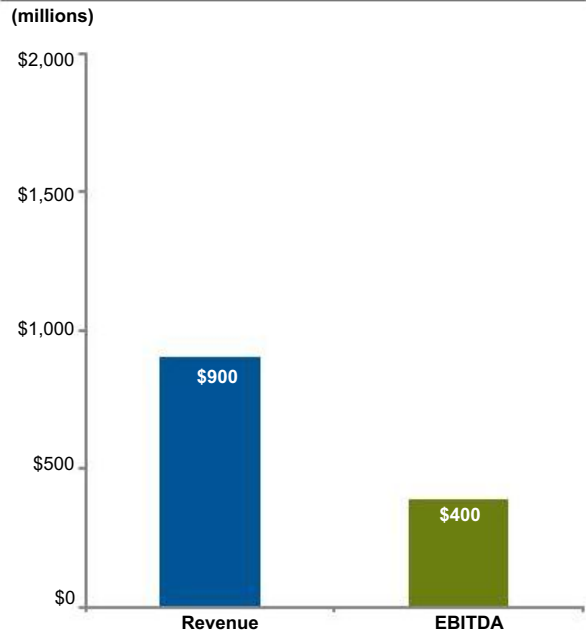
## DIVERSIFICATION WILL RESULT IN HIGHER FOB PRICES AND CASH MARGINS



Note: For FOB China sales assumes \$135/ton for 66% Fe and 5.5% SiO<sub>2</sub> with \$60 cash costs. For FOB Other Asia and FOB Europe assumes \$9/ton Pricing Premium to \$144/ton for 66% Fe and 4.5% SiO<sub>2</sub> with \$65 cash costs. Freight assumptions are \$25/ton into China, \$20/ton into Other Asia and \$10/ton into Europe.

## ANTICIPATED SALES MARGIN CONTRIBUTION FROM BLOOM LAKE WITH EXECUTED MARKETING AND OPERATIONAL PLANS

PHASE I – 7.2 MILLION TONS  
@ 4.5% SILICA



PHASE I & II – 14.5 MILLION TONS  
@ 4.5% SILICA



*Note: Assumes \$135/ton CIF China index price, \$25/ton freight to China, \$20/ton for Other Asia and \$10/ton for Asia. Also assumes \$9/ton Pricing Premium for non-China sales and \$62.50/ton cash costs.*

## BLOOM LAKE HAS SIGNIFICANT EBITDA GENERATION POTENTIAL

**14.5 Mpta RUN RATE**

**BULL CASE**

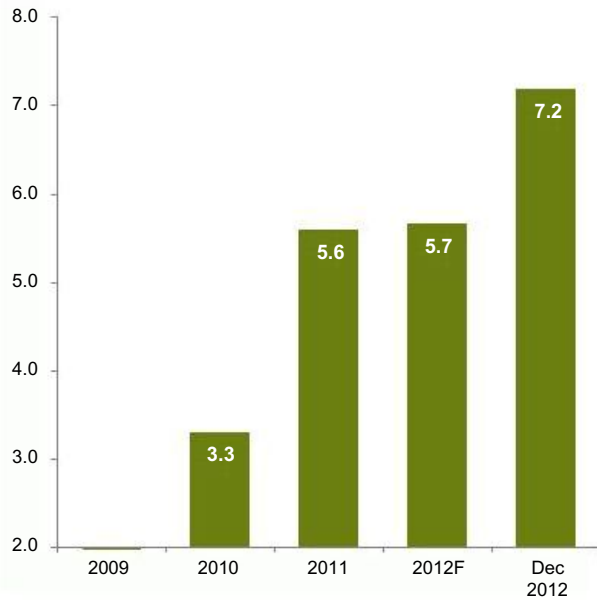
**BASE CASE**

**BEAR CASE**

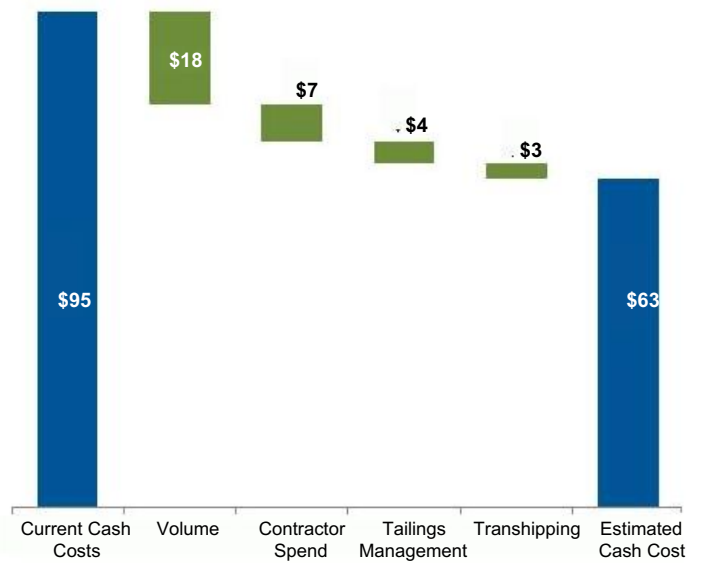
Platts 62% Fe Price:	\$150/ton	\$135/ton	\$110/ton
Weighted Average Freight:	\$20/ton	\$20/ton	\$20/ton
Value in Use/Fe Premium for 66% Fe Bloom Concentrate:	\$16	\$10	\$7
Cash Costs:	\$60/ton	\$62.5/ton	\$65/ton
<b>EBITDA</b>	<b>\$1.2B</b>	<b>\$900M</b>	<b>\$460M</b>

## OPPORTUNITY LIES IN DELIVERING BLOOM LAKE MINE'S CASH COSTS

### PRODUCTION ESCALATION TO 7.2 MT RUN RATE BY DECEMBER, 2012

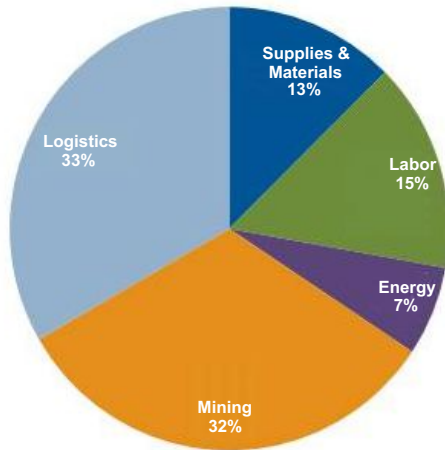


### CASH COST PROGRESSION

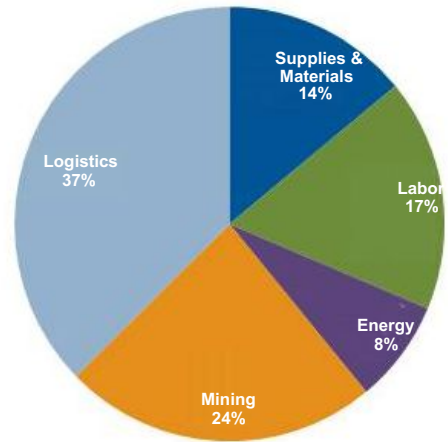


## OPPORTUNITY LIES IN DELIVERING BLOOM LAKE MINE'S CASH COSTS (CONT.)

CURRENT STATE - \$95/TON



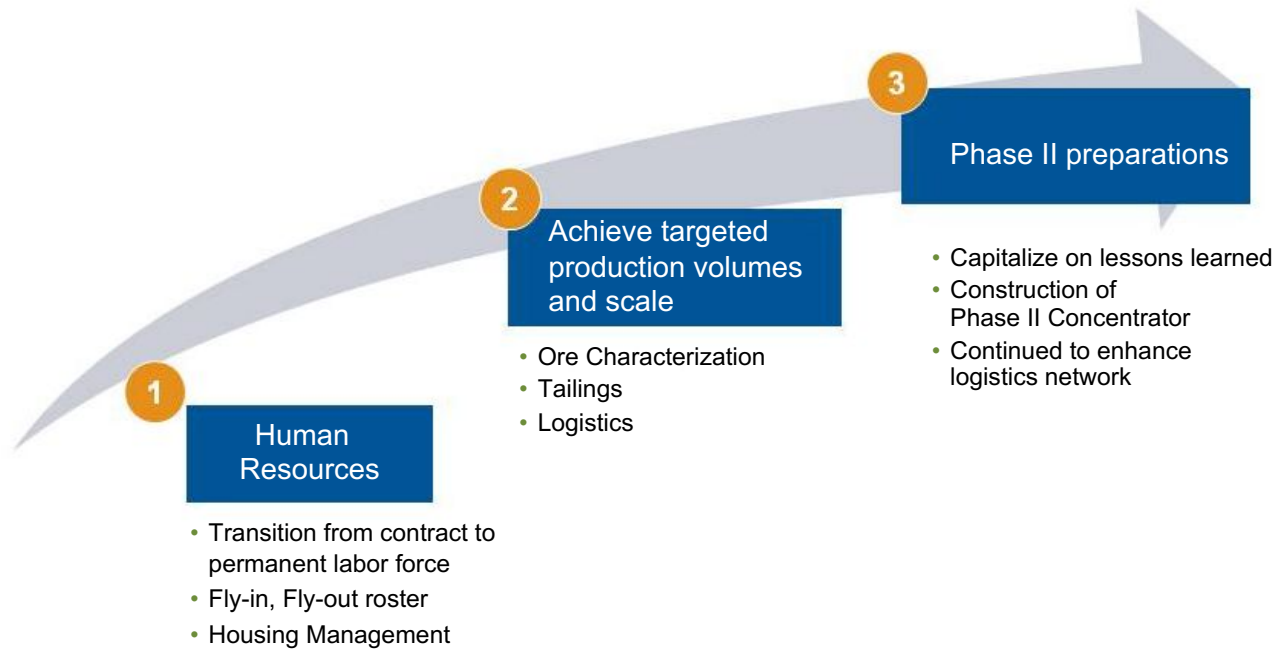
LONG-TERM ESTIMATE - \$63/TON



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## CRITICAL NEXT STEPS

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**CLIFFS NATURAL RESOURCES**  
DAVE BLAKE



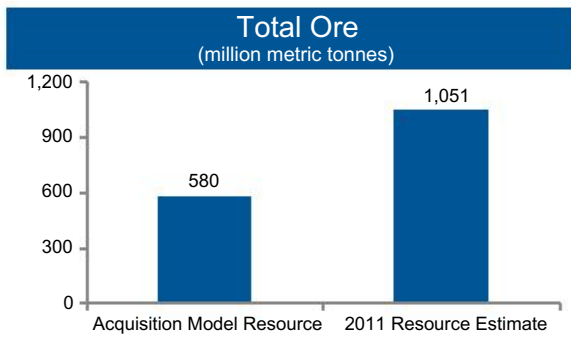
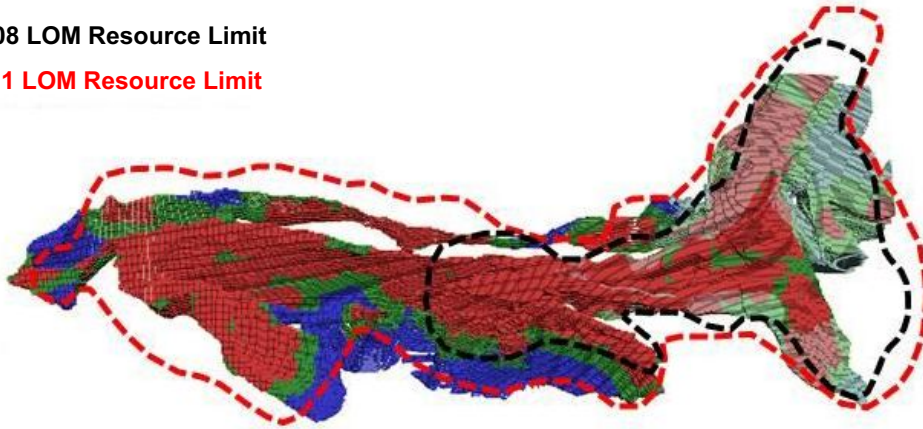
## SIGNIFICANT LONG-TERM VALUE CREATION POTENTIAL FOR BLOOM LAKE





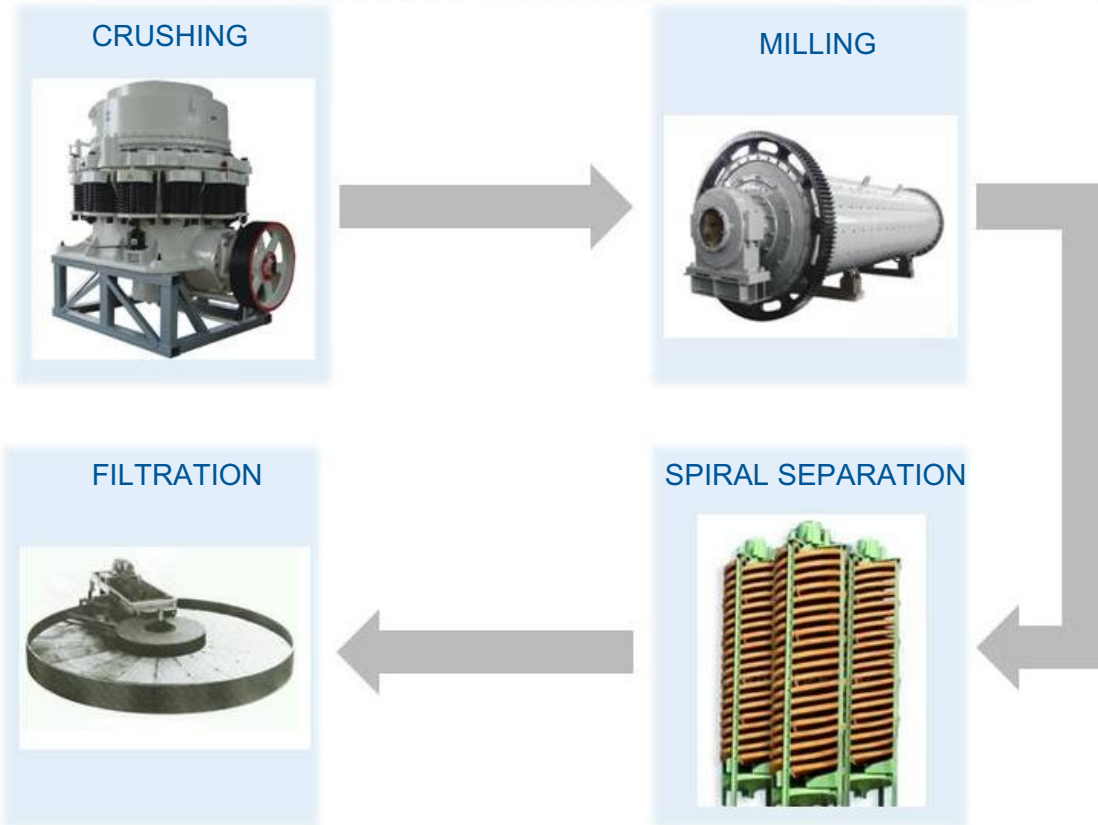
## INCREASE IN RESOURCE BASE POSITIONS BLOOM LAKE FOR FUTURE EXPANSION

- 2008 LOM Resource Limit
- 2011 LOM Resource Limit



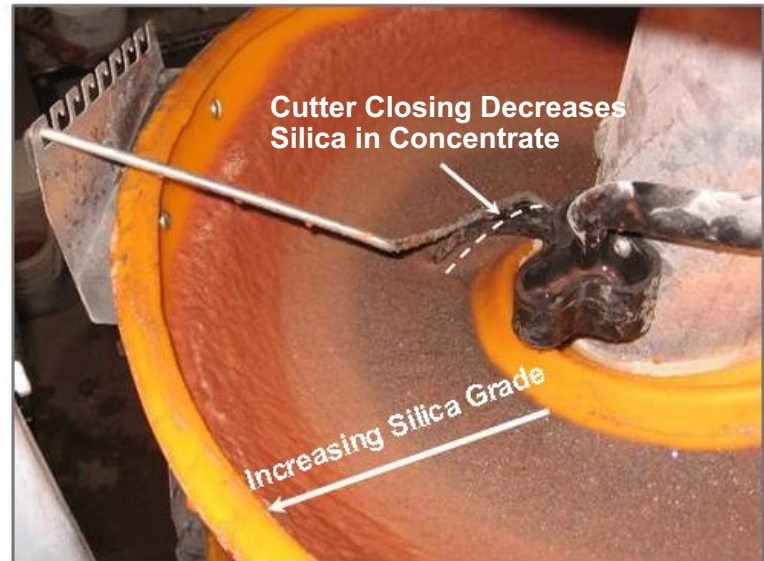
- Future Expansions**
- Leverage Phase I & II infrastructure
  - No third crusher required (\$50 million)
  - Mature mine development, tailings basin and logistics base

## BLOOM LAKE CONCENTRATOR FLOW SHEET



## PRODUCING A LOWER SILICA PRODUCT AT BLOOM LAKE

- **Ore Control** – Mine plan is sequenced to optimize plant feed targets over time
- **Grind Control** – Circuit optimized to increase silica liberation
- **Spiral Classifiers** – Cutter bar position, water addition and SPC/Lab analysis response plans
- Grade increases toward outer periphery of spiral



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## PHASE I KEY STABILIZATION STEPS

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### ORE CHARACTERIZATION



- Develop and implement Mature Development Block process
- Focus on consistent concentrator feed to improve quality and lower costs

### TAILINGS BASIN



- Expand tailings basin to support future growth
- Lower operating costs through lower headcount/eliminating manual tailings movement

### LOGISTICS



- Improve operations and maintenance practices
- Deliver significant synergies

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## UNDERSTANDING ORE CHARACTERIZATION

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### DEVELOP MATURE OPERATIONAL BLOCK MODEL

- Facilitates proper mine planning
- Provides sound input for expected plant performance

### DATA ANALYSIS & INTERPRETATION

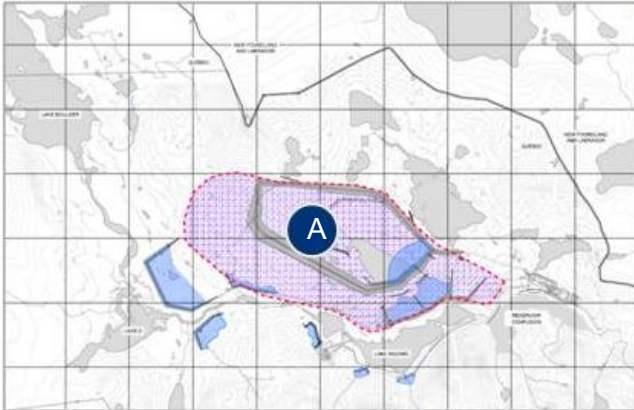
- Test work on drill core
- Chemical and metallurgical testing
- Real-time mine to mill analysis of crude to concentrate behaviors

### PREDICTABILITY AND UNDERSTANDING

- Improve consistency of concentrator feed
- Provide process KPIs on:
  - Mill throughput rates
  - Iron recovery
  - Concentrate silica
  - Trace minerals

## REDESIGN OF TAILINGS BASIN SUPPORTS 30-YEARS OF OPERATIONS

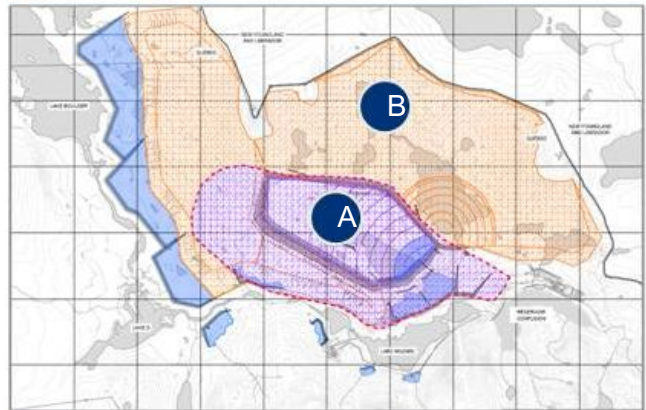
### ORIGINAL TAILINGS BASIN DESIGN LIMITED LONG-TERM GROWTH



#### **A** Original design (2011)

- Undersized and insufficient storage for future expansions
- Footprint adequate only through mid 2013

### REDESIGNED TAILINGS BASIN WILL SUPPORT GROWTH PLANS



#### **B** Re-designed (2012 – 2014)

- Will allow sufficient storage for expansion
- Meets permission to operate requirement
- Reduce operating costs through elimination of headcount and manual tailings management

## SYNERGIES BEING ACHIEVED FROM ORIGINAL BUSINESS PLAN

### IMPROVEMENTS TO TRAIN UNLOADING



- Improvement of operations and maintenance practices
- Total unloading time has been reduced by an average of 4 hours per train

### DOCK TO VESSEL IMPROVEMENTS



- Use of two transhippers to load concentrate into larger vessels at anchor in the bay
- Dock reinforcement of 30

### CROSS CONVEYORS



- Physically tie the two dock operations together
- Feed both docks with product from either stockyard

OVER LAST 6 WEEKS, VESSEL TURN TIME AVERAGE DOWN TO 4.5 VS. 9-10 DAYS WITH ORIGINAL LOGISTICS – POSITIONING MINE FOR EXECUTION OF GROWTH PLANS



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## LEARNING FROM PHASE I DESIGNED INTO PHASE II

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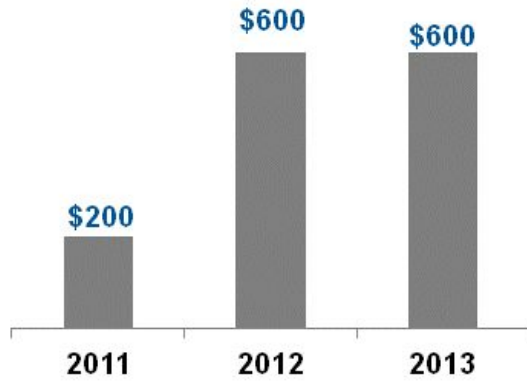


- Improved Safety Design
- Hydrosizer Startup and Test Work
- Spiral Control and Optimization
- Mill Liner Design
- Mill Cube Control
- Mine Ore Control Plan
- Crusher Design

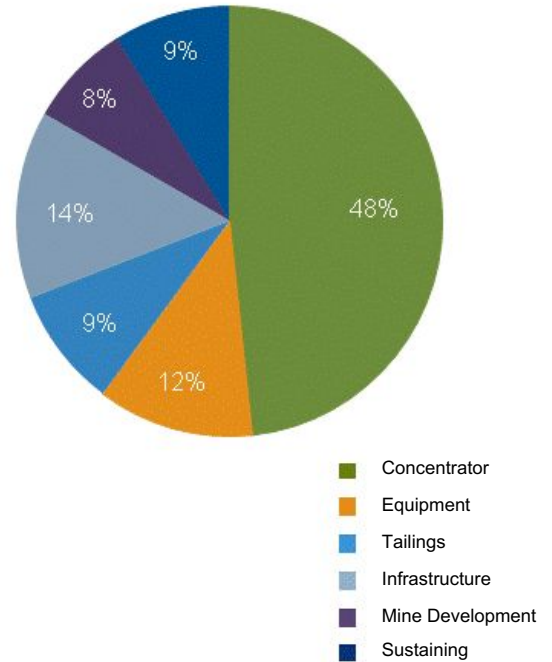


## APPROXIMATELY \$1,400 MILLION IN CAPITAL TO SPEND THROUGH 2013

CAPITAL SPEND TIMELINE  
(IN MILLIONS)

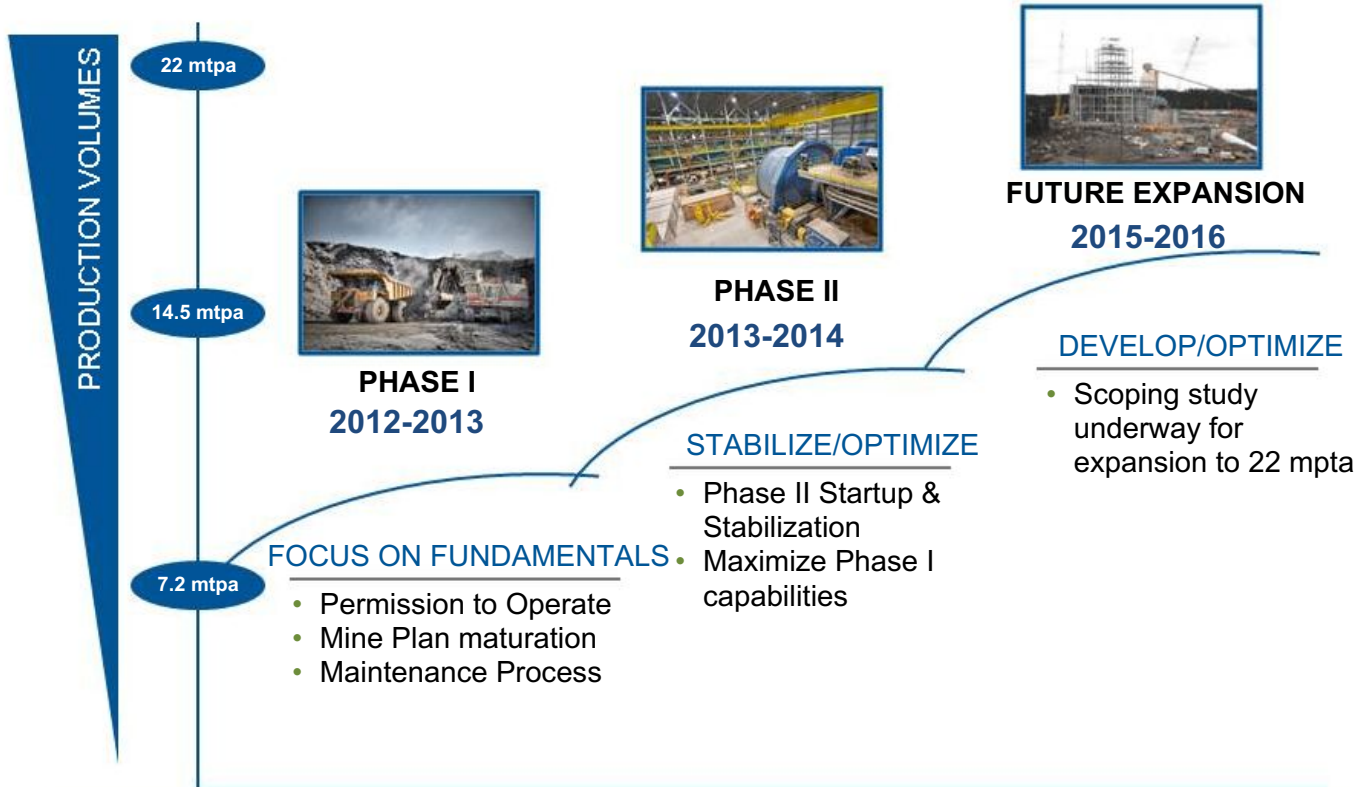


CAPITAL SPEND BREAKOUT



- Tailings management solution for future growth
- Cross-conveyors upgrades at the port
- Additions to mobile fleet, shovels and drills

FOCUS ON FUNDAMENTALS, STABILIZE, OPTIMIZE AND DEVELOP KEY TO REALIZING FULL POTENTIAL OF ASSETS



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## IN SUMMARY

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### STRATEGIC FIT

Long-term Eastern Canada strategy and project value intact

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### STABILIZATION OF OPERATIONS

Focus on fundamentals for long-term sustainable operations

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### FUTURE GROWTH

Over 80% increase in reserve base from acquisition model

**CLIFFS NATURAL RESOURCES**  
CLIFF SMITH



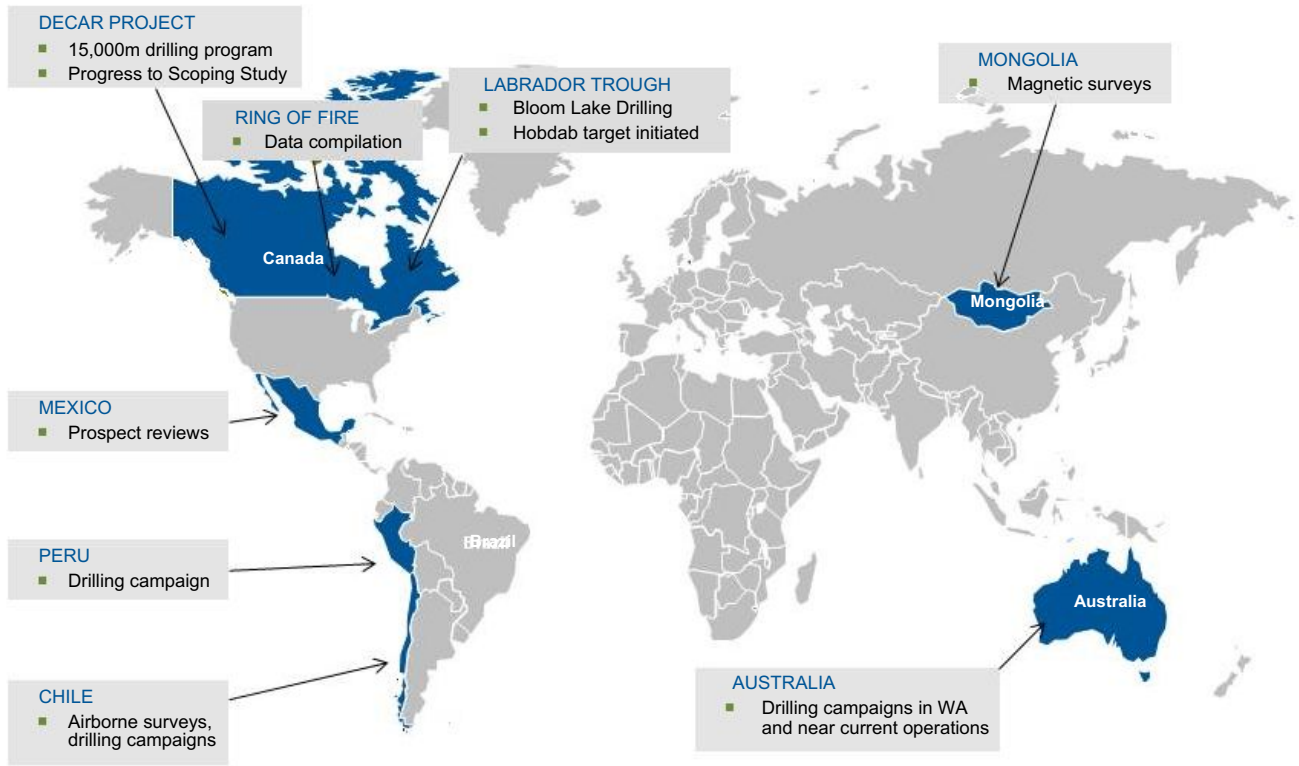
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## CLIFFS GLOBAL EXPLORATION GROUP

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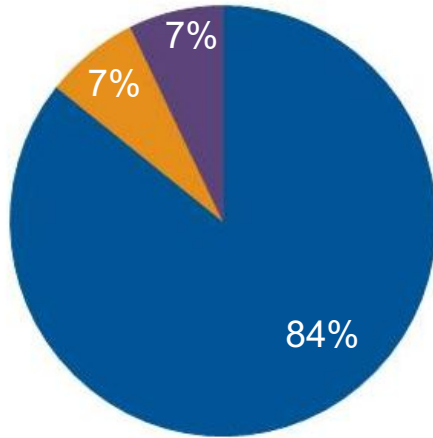
- Select group of geologists and exploration professionals located in Cliffs' three primary geographies (North America, South America and Australia)
- Current emphasis on near mine, Cliffs-owned properties in Eastern Canada, Western Australia, and Decar nickel project
- Focus on existing pipeline of strategic partnerships (project generators) and Cliffs controlled projects
- Focus on steelmaking raw materials, stable geopolitical regions, and strategic fit

## GLOBAL EXPLORATION GROUP ACTIVITIES ARE MEASURED AND FOCUSED



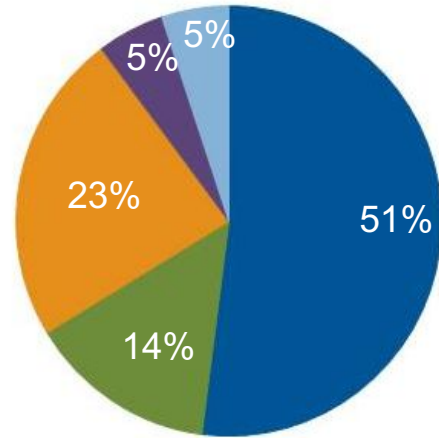
## WORLDWIDE EXPLORATION BUDGET IN 2012 IS \$90 MILLION

### BUDGET ALLOCATION BY COUNTRY RISK



- Low Risk (Australia, Canada, Chile)
- Moderate Risk (Peru, Mexico)
- Moderate/Higher Risk (Mongolia)

### BUDGET ALLOCATION BY COMMODITY



- Iron (Fe)
- Nickel (Ni)
- Copper/Gold (Cu-Au)
- Manganese (Mn)
- Met Coal (C)

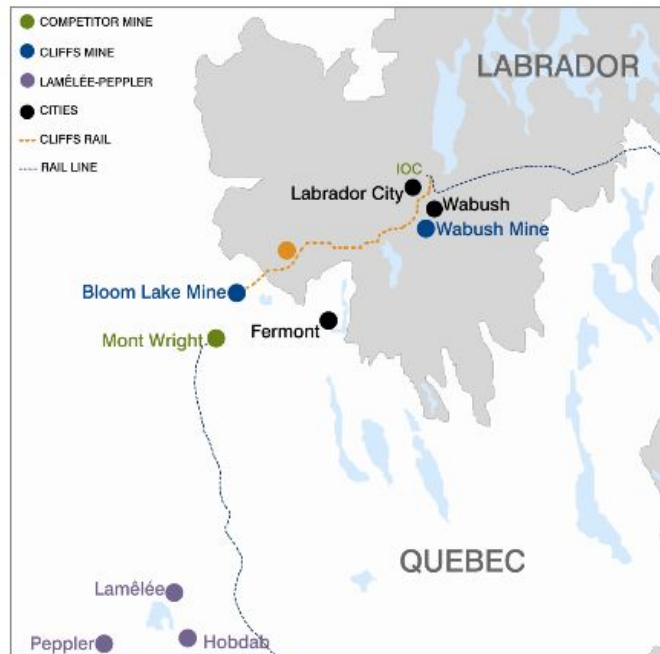
## EXPLORATION WORK OUTSIDE OF BLOOM LAKE IN LABRADOR TROUGH

### LAMELEE AND PEPPLAR LAKE

- Located 45km south of Bloom Lake
- Drilling program first began in 2006. Total of 130 holes completed
- Approximate 1 billion tonnes reported in compliance to NI43-101 standards
- Deposits dominated by magnetite with lesser amounts of hematite; near surface shallow dipping - favorable for open pit

### HOBDAH EXPLORATION TARGET

- Exploration target located to east of Pepplar Lake





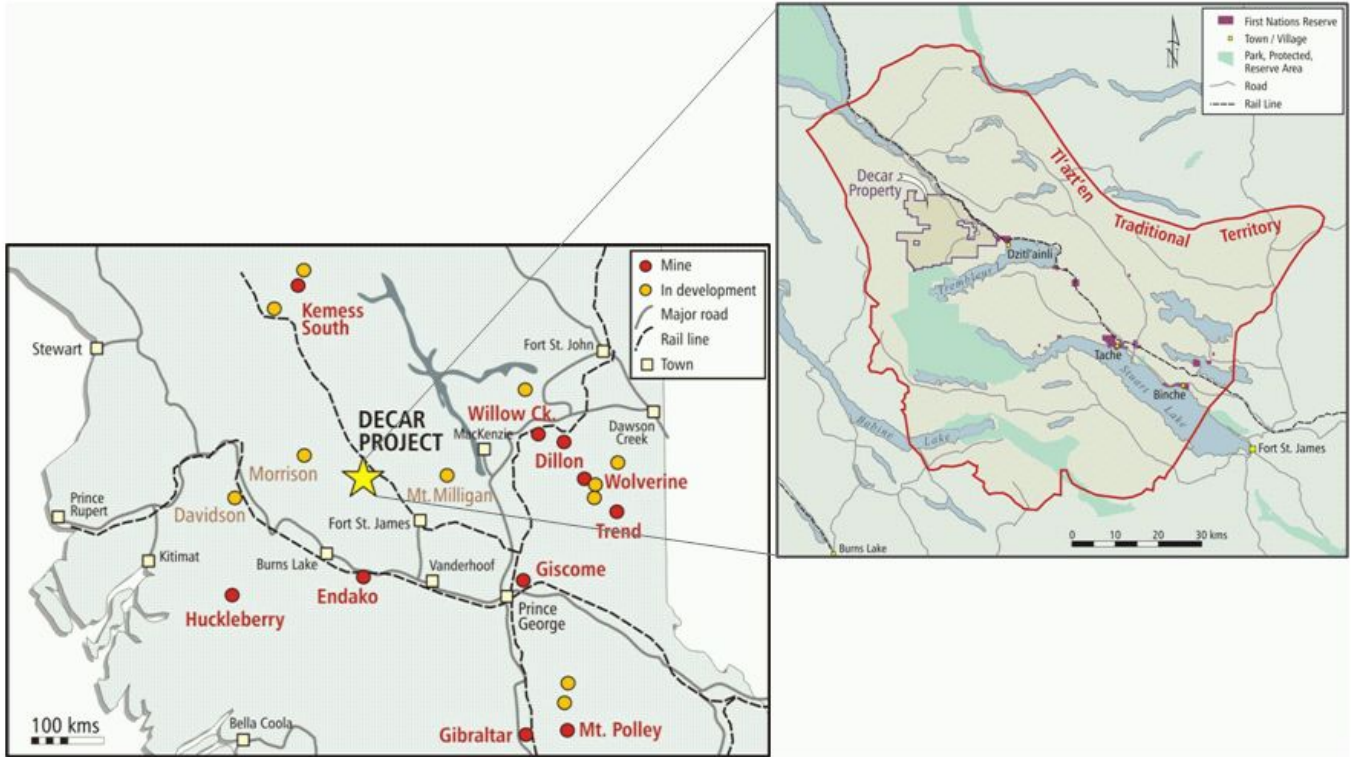
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## DECAR PROJECT - POTENTIAL GAME CHANGING NICKEL DEPOSIT

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- Cliffs' 51% controlled interest in North Central British Columbia nickel-iron alloy deposit - not a nickel laterite or sulphide deposit
- NI 43-101 estimate complete - 1.2 billion ton inferred resource at 0.113 Ni
- Mineralization makes deposit amenable to open-pit mining methods
- Located within 5km of Canadian National active branch and 110km of British Columbia Hydro power grid
- High-grade concentrates produced by simple magnetic and gravity separation, with up to 15% Ni; balance iron, silica and some chromite

# DECAR NICKEL PROJECT - NORTH CENTRAL BRITISH COLUMBIA



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## HIGH-QUALITY CONCENTRATE SUITABLE FOR MANY POTENTIAL BUYERS

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- Expected produced concentrates would contain no difficult impurities

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- Suitable and desirable feed into ferronickel plants with high value-in-use properties

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- Geographic location provides access to ferronickel plants in Asia

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- Small-scale smelting tests in South Africa demonstrate performance in conventional ferronickel smelting environment

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- Additional metallurgical testing planned for later in 2012

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## NEXT STEPS FOR DECAR NICKEL PROJECT

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### CONTINUE TO ESTABLISH "LICENSE TO OPERATE"

- MOU's already signed with TI'azt'en Nation in May
- Community Kick-Off Event held in June – over 100 attendees

### SCOPING STUDY UNDERWAY

- Cliffs' CIS process
- Additional drilling to further define high-grade area
- Metallurgical testing planned for Q3/Q4

### DECISION ON WHETHER TO MOVE TO PREFEASIBILITY

- Scoping completion expected in 2013

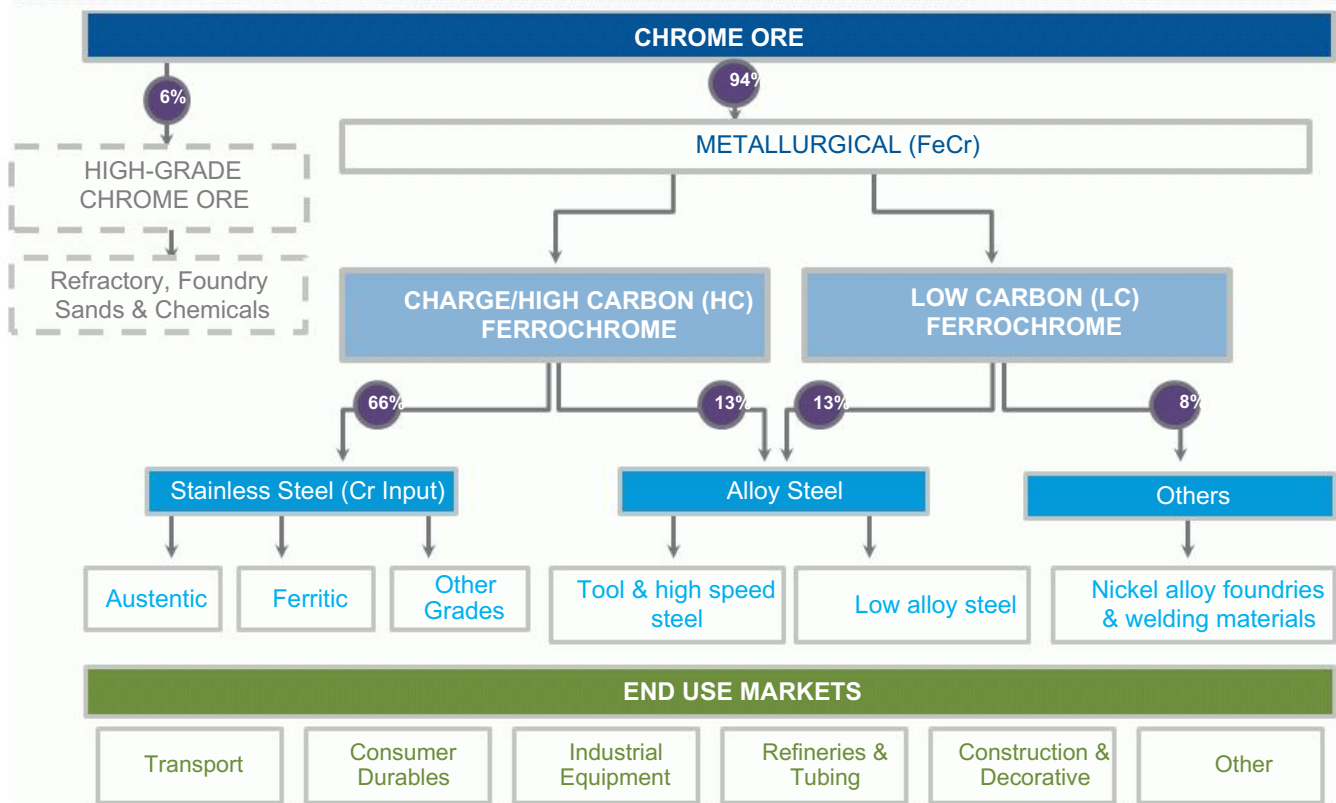
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# CLIFFS NATURAL RESOURCES

BILL BOOR

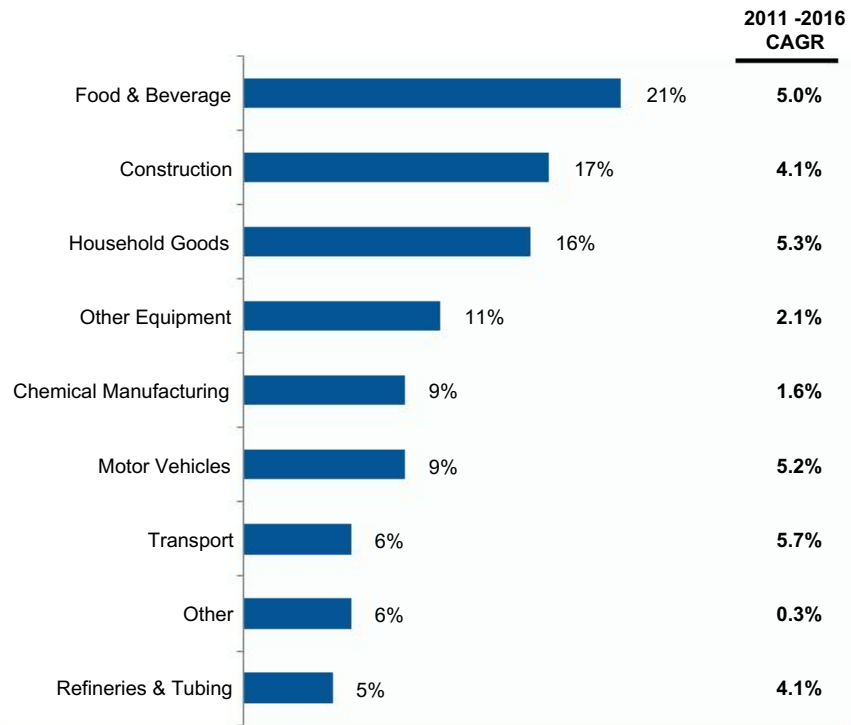


## CHROME ORE END MARKETS



Source: Heinz Pariser; Cliffs Analysis

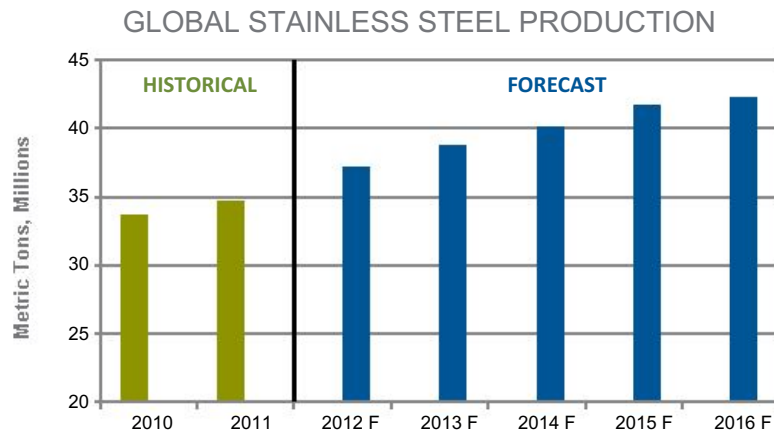
## GLOBAL STAINLESS STEEL CONSUMPTION BY END USE CATEGORY - 2011



**STAINLESS STEEL GROWTH** 4.1%

Source: CRU, Cliffs analysis

## GLOBAL STAINLESS STEEL GROWTH



- Total stainless steel production is expected to rise through 2016 to 42.2 million tons from 33.6 million tons
- Primarily driven by increasing income and economic growth in BRIC countries

Source: CRU, Cliffs analysis



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## AUSTENITIC AND FERRITIC STAINLESS STEEL

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### AUSTENITIC

- Consists of Cr (16-26%), Ni (5 - 22%) and iron
- Recycled material provides about 40% of Cr content
- Primary applications: food processing equipment, aeronautics, railway equipment, industrial piping and vessels

**Trend: Increasing use of scrap**

### FERRITIC

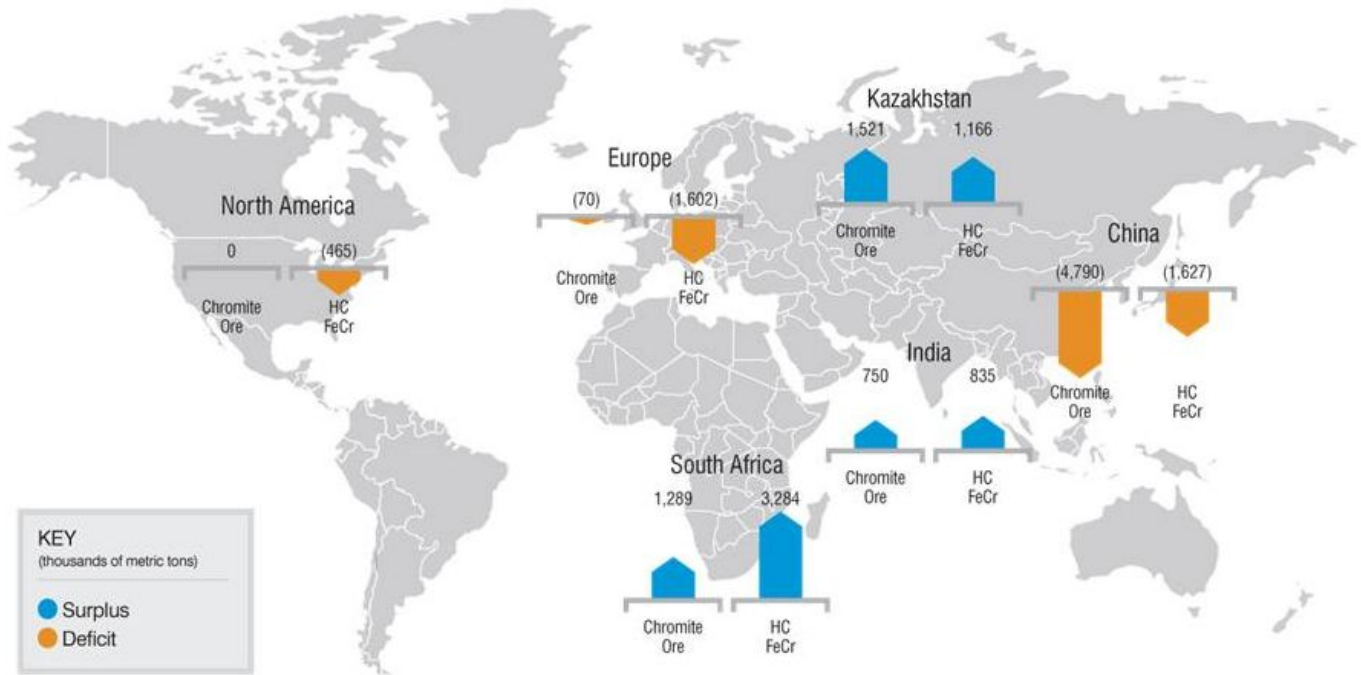
- Primarily consists of Cr (10.5-27%) and iron; essentially nickel free
- No recycled materials are used
- Primary applications: automotive, coal mining, hot water tanks, domestic appliance, dishware, tubes, and conveyor chains

**Trend: Taking share from Austenitic**

Source: Cliffs analysis

## CHROMITE ORE AND FERROCHROME PRODUCTION AND CONSUMPTION

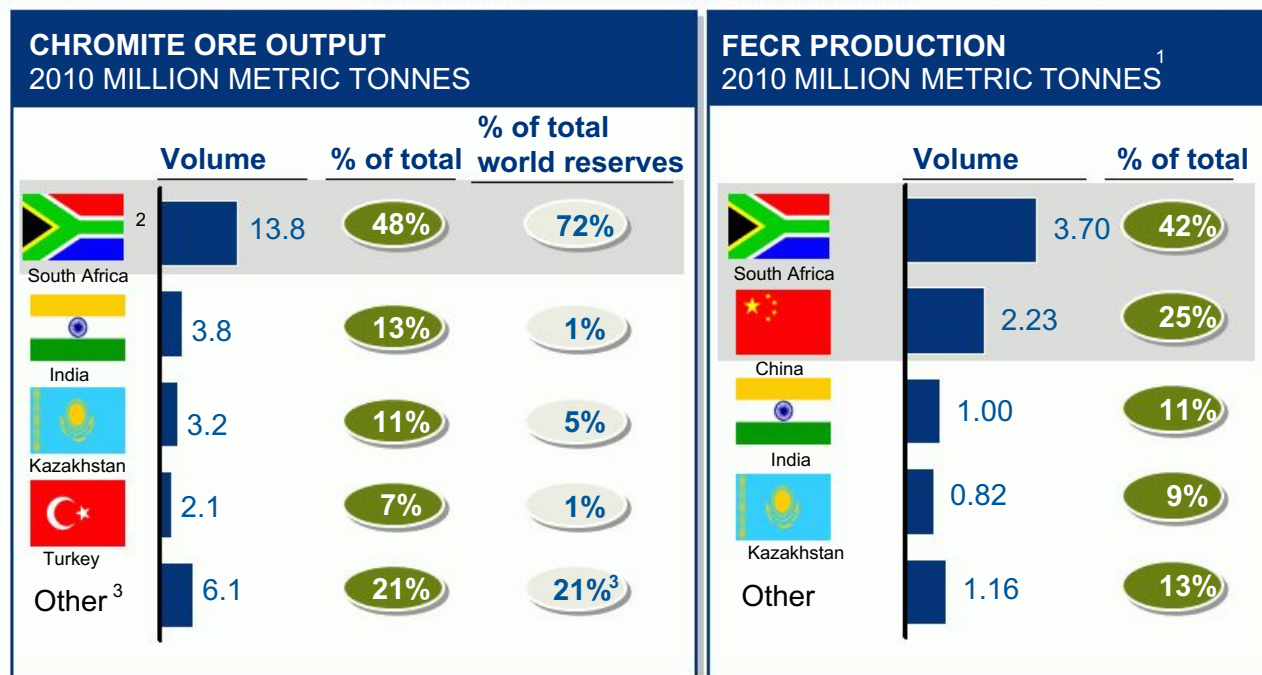
- SIGNIFICANT CHROMITE ORE AND FERROCHROME SUPPLY DEFICITS EXIST IN NORTH AMERICA, EUROPE, AND CHINA



Note: Map above excludes production and consumption from Turkey, Russia and ROW

Source: Metal Bulletin, Heinz Pariser

## SOUTH AFRICA DOMINANT GLOBAL PLAYER ACROSS VALUE CHAIN, WHILE CHINA FERROCHROME SMELTING CAPACITY IS GROWING



1 Incl. HC/LC/MC

2 Includes UG2 ore output

3 Includes Zimbabwe which represent ~15 % of total world reserves

SOURCE: MBR; ICDA; CRU

## SOUTH AFRICA COST PRESSURES ARE RESHAPING THE INDUSTRY

### STRUCTURAL FACTORS LIMITING SUPPLY

#### Local Factor Cost Evolution



#### Escalation of input costs

Electricity and labor costs eroding competitiveness



#### Regulatory Environment

#### Potential government policy changes

Potential export levy on chrome could reduce competitiveness

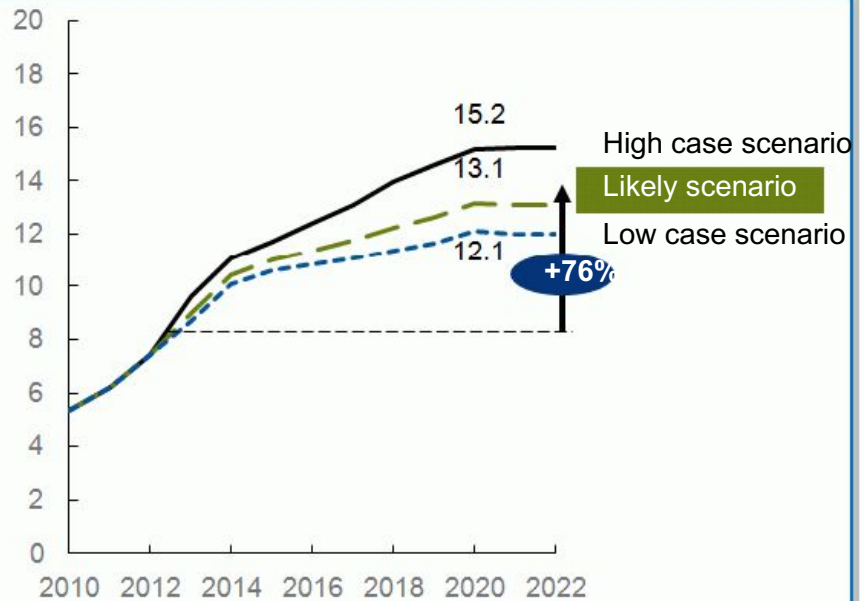
**SOUTH AFRICA COST ESCALATION – ELECTRICITY PRICES TO INCREASE BY ~75 % OVER NEXT DECADE BEFORE STABILIZING IN 2020**

**KEY FACTORS AFFECTING ELECTRICITY PRICES**

- Capacity gap in electricity supply
- Seasonal variations in price tariffs
- Variation in price tariffs between customer segments
- Potential introduction of carbon taxes

**SOUTH AFRICAN INDUSTRIAL END USER TARIFF (AVERAGE YEARLY TARIFF)**

Real 2012 USDc per kWh



SOURCE: IRP (March 2011 version); EIU Inflation; Cliffs analysis

Note: 1 USD = 7.8 ZAR

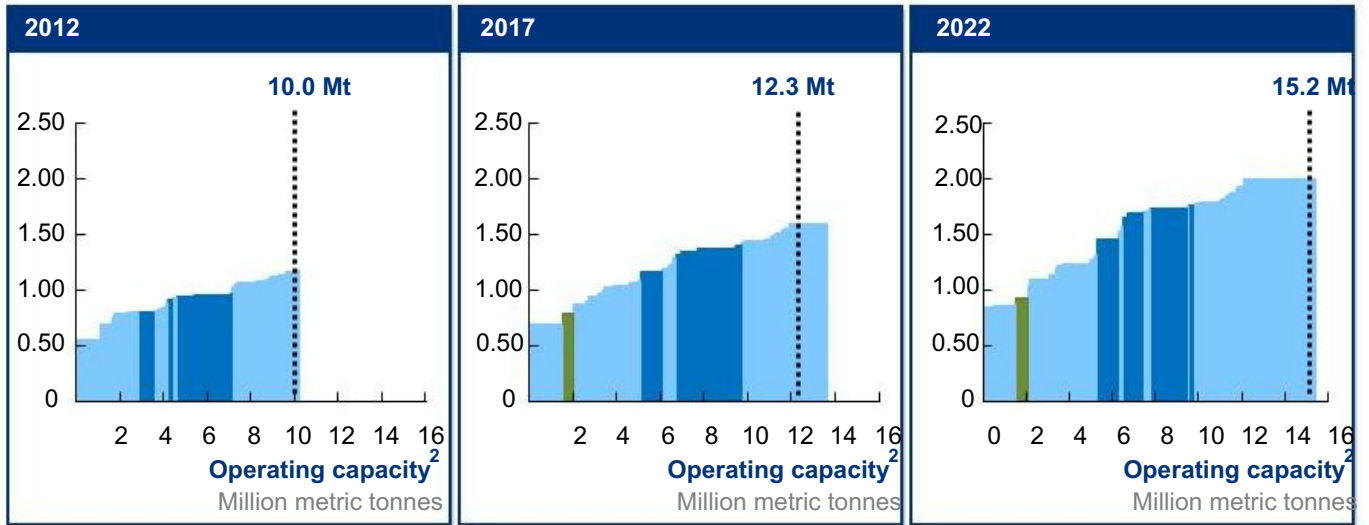
# CLIFFS FERROCHROME PRODUCT COMPETITIVE IN THE US MARKET...

## CIF US cost<sup>1</sup>

Nominal USD/lb Cr contained

Cliffs South Africa Other

..... Demand



Note: Raw material (chromite ore) costs assumed to be at cost for integrated players and at market price for standalone ferrochrome players

1 Cr ore at cost

2 Operating capacity calculated as 90% of nameplate capacity

3 SA high cost players at 70% utilization and non-winter tariff

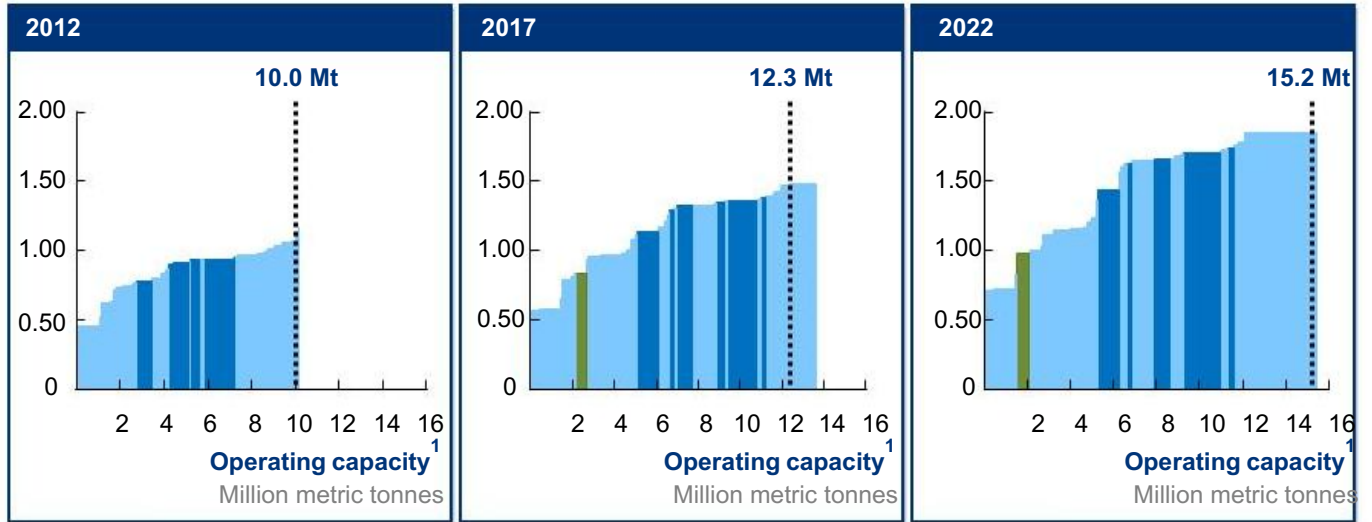
SOURCE: McKinsey chromite ore cost model, Cliffs analysis

... AND COMPETITIVE IN DISTANT MARKETS

CIF China cost<sup>1</sup>

Nominal USD/lb Cr contained

Cliffs South Africa Other Demand



Note: Raw material (chromite ore) costs assumed to be at cost for integrated players and at market price for standalone ferrochrome players

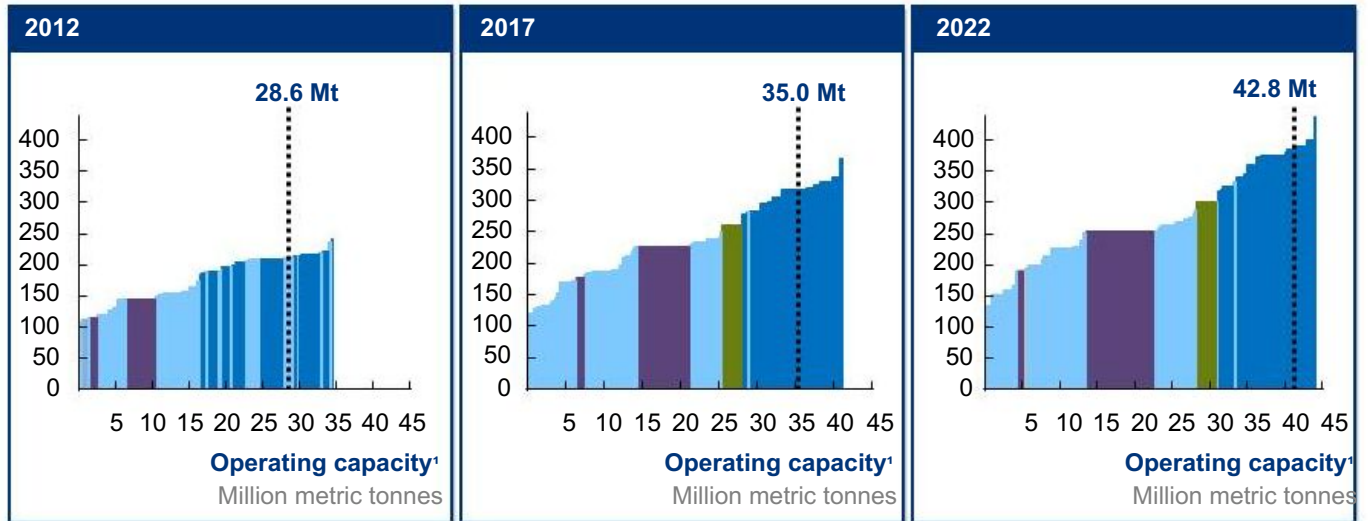
- 1 Chrome ore at cost
- 2 Operating capacity calculated as 90% of nameplate capacity
- 3 SA high cost players at 70% utilization and non-winter tariff

SOURCE: McKinsey chromite ore cost model, Cliffs analysis

## CLIFFS CONCENTRATE WILL BE COST COMPETITIVE

### CIF China cost for 42% standard grade chromite ore

Nominal USD per metric tonne



Note: Scenario assumes that SA will impose export levy on chromite ore of ~50 USD/tonne

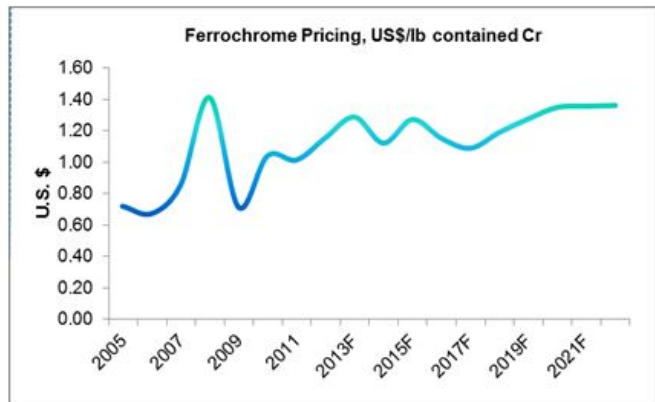
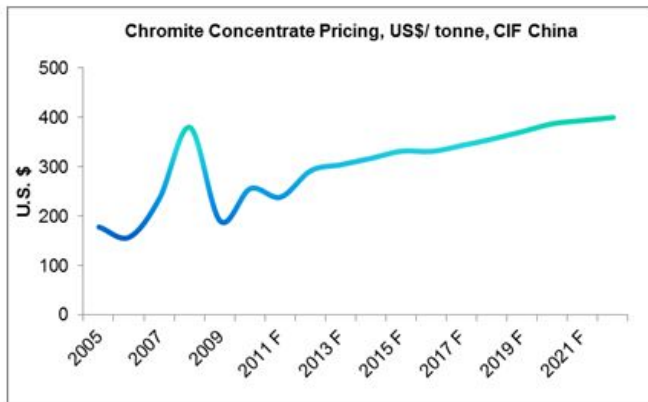
1 Operating capacity calculated as 90% of nameplate capacity

SOURCE: McKinsey chromite ore cost model



## COST CURVE TRENDS WILL DRIVE HIGHER INDUSTRY PRICING

REALIZED PRICING ASSUMPTIONS	LIFE OF MINE
Concentrate (\$/ tonne)	\$390
Concentrate grade	43%
Ferrochrome (\$/ lb cr content)	\$1.40
FeCr grade	58%



Note: Price outlook excludes impact of proposed South Africa export duties

Source: Concentrate Pricing – McKinsey, FeCr Pricing – Heinz H. Pariser/Cliffs

## RESOURCE ESTIMATES HAVE EXCEEDED ACQUISITION BASIS BY 96%

### CLIFFS PROJECT BASED ON THE BLACK THOR DEPOSIT

- Measured and indicated resources now stand at 102 Mt
- Remains open at depth

RESOURCE CATEGORY (Tons in Millions)	ACQUISITION Q1 / 10	CURRENT Q1 / 12	
MEASURED & INDICATED		102	
INFERRED	69	33	
TOTAL	69	135	[+96%]

OPPORTUNITY EXISTS TO FURTHER INCREASE RESOURCE FROM BLACK THOR AND INCORPORATE POTENTIAL FROM BIG DADDY AND BLACK LABEL

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## SUCCESSFUL TESTS IN SOUTH AFRICA AND ONTARIO HAVE REDUCED TECHNICAL RISK

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### MINERAL PROCESSING

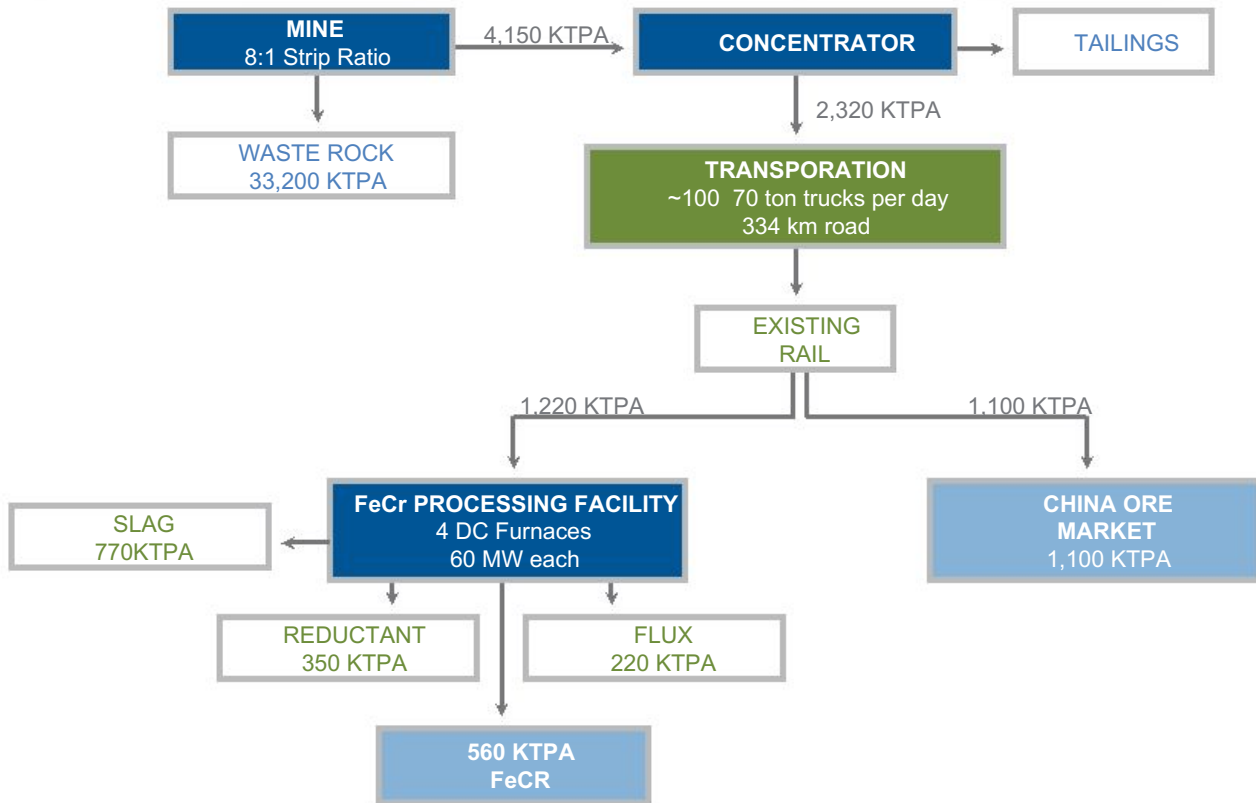
- Metallurgical testing completed at Mintek (South Africa) confirmed the process flowsheet and material balance

### FERROCHROME PRODUCTION

- 200 ton pilot furnace test at Mintek (South Africa) and small scale test at XPS Sudbury confirmed the following:
  - Metal recoveries were very high (> 90%)
  - DC furnace technology utilizing Cliffs' concentrate can produce alloy with 57% - 60% chrome within customer chemistry requirements



## PROJECT SCOPE LOCKED IN FOR FEASIBILITY



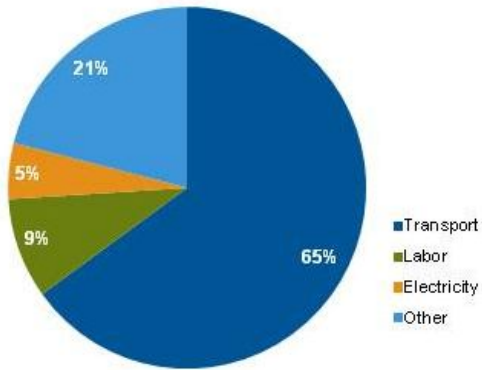
**MARKETING STRATEGY BASED ON THE GEOGRAPHIES OFFERING BEST OPPORTUNITY FOR CLIFFS**

PRODUCT	MARKET FOCUS	RATIONALE
Concentrate	China	<ul style="list-style-type: none"> <li>Natural market for chromite concentrates, as majority of future demand growth resides in China</li> </ul>
FeCr	U.S.	<ul style="list-style-type: none"> <li>Competitively low delivered cost of FeCr</li> <li>Proximity and strong existing relationships</li> </ul>
	Europe, Japan, Korea and Taiwan	<ul style="list-style-type: none"> <li>Stable, established markets</li> <li>South Africa dominates, but Cliffs will be highly competitive on a delivered cost basis</li> </ul>

**NEARLY 50% OF FE CR PRODUCTION ALREADY COMMITTED THROUGH INDICATIONS OF INTEREST**

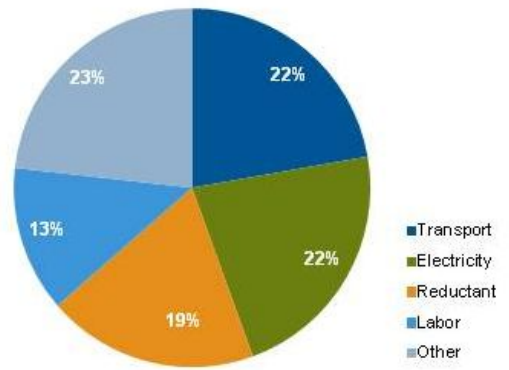
## CLIFFS CASH COSTS IN CHROME ORE AND FERROCHROME WILL BE COMPETITIVE

OPEX BY ELEMENT  
CONCENTRATE



TOTAL DELIVERED COST PER TON = \$200

OPEX BY ELEMENT  
FECR

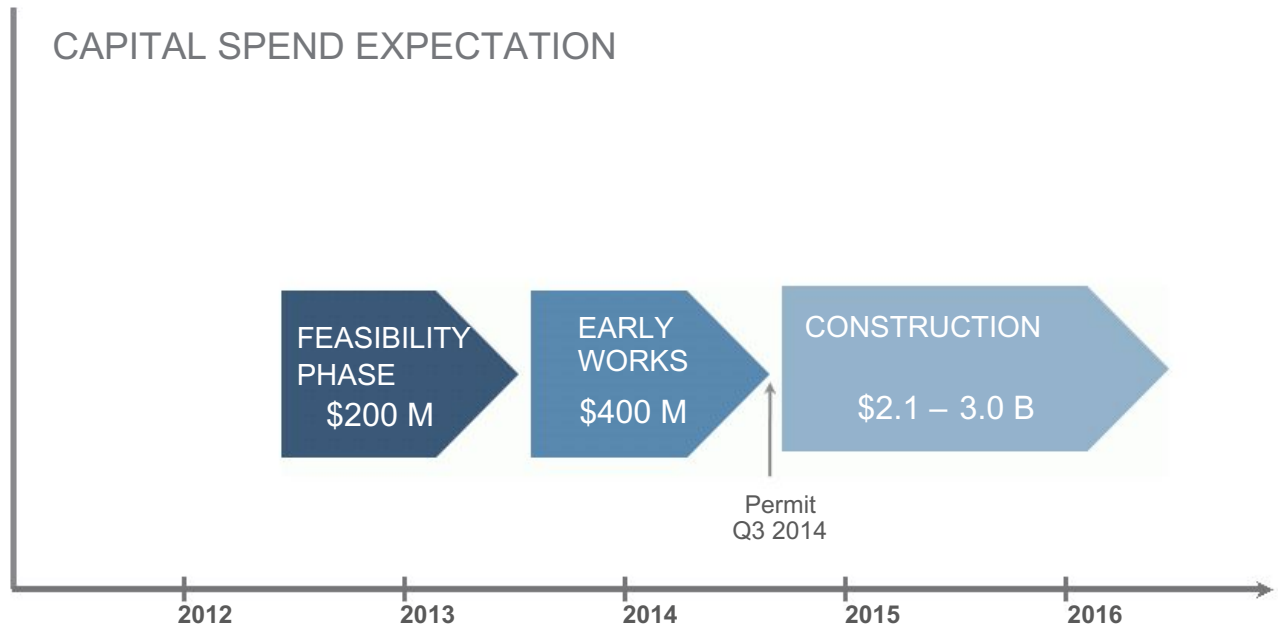


TOTAL DELIVERED COST PER LB = \$0.70

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## THE OVERALL TIMELINE IS DRIVEN BY PERMITTING

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- \$90M OF FEASIBILITY STUDY COSTS WILL BE EXPENSED

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## WORLD-CLASS DEPOSIT POSITIONS THE PROJECT FOR ADVANCEMENT AND SIGNIFICANT RETURNS

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### KEY ASSUMPTIONS

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- Capital Expenditures between \$2.7 - \$3.6 billion
- Ferrochrome:
  - Volumes: 560 ktpy
  - Price<sup>\*\*</sup>: \$1.40/lb contained Cr
  - Cost: \$0.70/lb
- Concentrate:
  - Volumes: 1,100 ktpy
  - Price<sup>\*\*</sup>: \$390/tonne
  - Cost: \$200/tonne

### UPSIDE TO CLIFFS' RETURNS

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- Potential JV partner
- Pursue project financing

**EXPECTED RETURNS**  
**14% - 17%\***

\* IRR from Pre-feasibility Study  
\*\* Life-of-mine realized price



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## CLOSING

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- Megatrends continue to underpin Cliffs' strategic decisions
- Impressive pipeline of growth and expansion projects
- Technical competencies and experienced operators position the Company for successful execution of large-scale projects
- Cliffs is transitioning to a more sophisticated and methodical economic value-based management approach including a rigorous capital investment system
- Cliffs' portfolio of assets, growth track record, sound financial position, and impressive cash dividend makes the Company an attractive investment for shareholders

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# Q & A