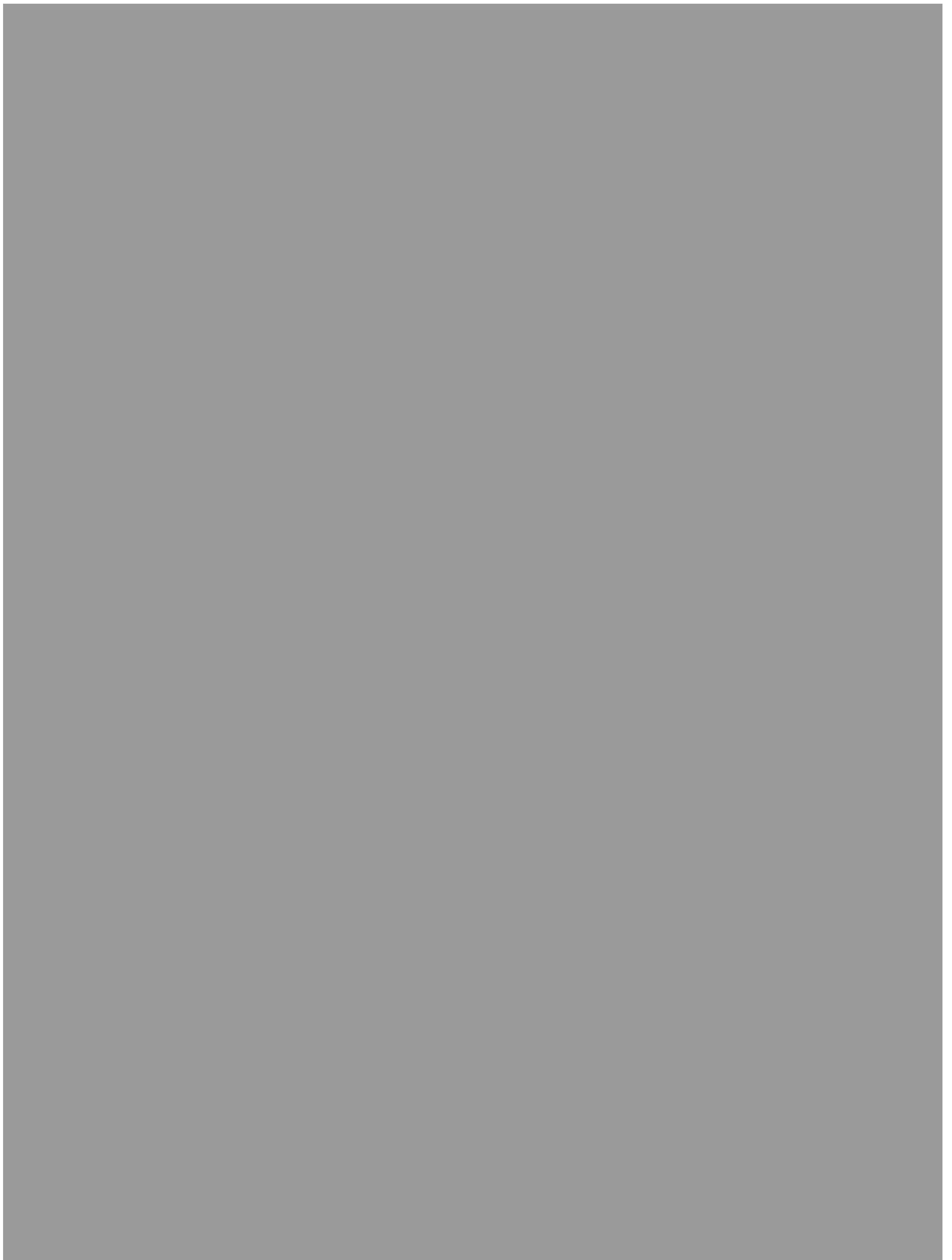
UNITED STATES
SECURITIES AND EXCHANGE COMMISS ê

Statements of Unaudited Condensed Consolidated Comprehensive Income

Cliffs Natural Resources Inc. and Subsidiaries

	(In Millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	**2015**	2014
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	**$ 10.6**	$ (5,879.6)	**$ (689.0)**	$ (5,939.0)
OTHER COMPREHENSIVE INCOME (LOSS)				
Ch				



Cliffs Natural Resources Inc. and Subsidiaries

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with SEC rules and regulations and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly, the financial position, results of operations, comprehensive income and cash flows for the periods presented. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. 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. The results of operations for the three and nine months ended September 30, 2015 are not necessarily indicative of results to be expected for the year ending December 31, 2015 or any other future period. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2014.

As more fully described in NOTE 14 - DISCONTINUED OPERATIONS, in January 2015, we announced that the Bloom Lake Group commenced restructuring proceedings in Montreal, Quebec under the CCAA. At that time, we had recently suspended Bloom Lake operations and for several months had been exploring options to sell certain of our Canadian assets, among other initiatives. Effective January 27, 2015, following the CCAA filing of the Bloom Lake Group, we deconsolidated the Bloom Lake Group and certain other wholly-owned subsidiaries comprising substantially all of our Canadian operations. Additionally, on May 20, 2015, the Wabush Group commenced restructuring proceedings in Montreal, Quebec under the CCAA which resulted in the deconsolidation of the remaining Wabush Group entities that were not previously deconsolidated. The Wabush Group was no longer generating revenues and was not able to meet its obligations as they came due. As a result of this action, the CCAA protections granted to the Bloom Lake Group were extended to include the Wabush Group to facilitate the reorganization of each of their businesses and operations. Financial results prior to the respective deconsolidations of the Bloom Lake and Wabush Groups and subsequent expenses directly associated with the Canadian Entities are included in our financial statements and classified within discontinued operations.

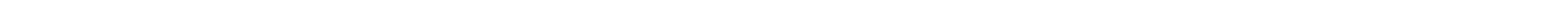
Additionally, as we continue to re-focus our strategy on strengthening our U.S. Iron Ore operations, management determined that our North American Coal operating segment as of the period ended March 31, 2015 met the criteria to be classified as held for sale under

. As such, all current and historical North American Coal operating segment results are included in our financial statements and classified within discontinued operations.

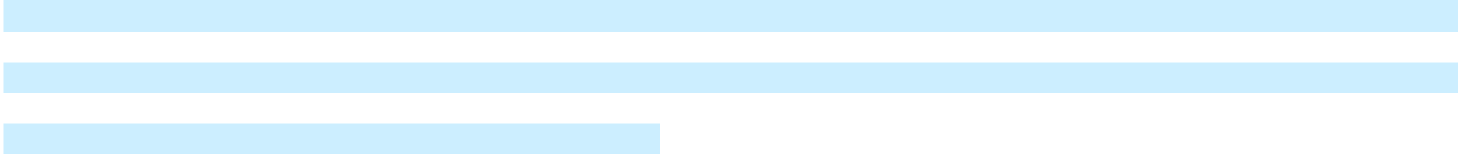
We now report our results from continuing operations in tCtan¾om ¾ont om ¾pued oper

Foreign Currency

Our financial statements are prepared with the U.S. dollar as the reporting currency. The functional currency of our 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 . Income taxes generally are not provided for foreign currency translation adjustments. To the extent that monetary assets and liabilities, inclusive of intercompany notes, are recorded in a currency other than the functional currency, these amounts are remeasured each reporting period, with the resulting gain or loss being recorded in the Statements of Unaudited Condensed Consolidated Operations. Transaction gains and losses resulting from remeasurement of short-term intercompany loans are included in in our Statements of Unaudited Condensed Consolidated Operations. For the three and nine months ended September 30, 2015, net gains of $2.4 million and $15.2 million, respectively, related to the impact of transaction gains and losses resulting from remeasurement. Of these amounts, for the three months ended September 30, 2015, gains of $0.1 million and $1.3 million, respectively, and for the nine months ended September 30, 2015, gains of $11.1 million and $2.0 million, respectively, resulted from remeasurement of short-term intercompany loans and cash and cash equivalents. For the three and nine months ended September 30, 2014, net gains of $25.8 million and $8.4 million, respectively, related to the impact of transaction gains and losses resulting from remeasurement. Of these transaction gains and losses, for the three months ended September 30, 2014, gains of $17.7 million and $9.6 million, resulted



In May 2014, the FASB issued ASU 2014-09, 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 st We / apply the [illegible] , , ¾8...



(7) As of September 30, 2015, the $544.2 million 7.75 percent second lien notes were recorded at a par value of $544.2 million less unamortized discounts of $136.8 million, based on an imputed interest rate of 15.55 percent. See NOTE 6 - FAIR VALUE MEASUREMENTS for further discussion of unamortized discount as a result of the exchange offers.

(8) As of September 30, 2015, no loans were drawn under the ABL Facility and we had total availability of $442.9 million as a result of borrowing base limitations. As of September 30, 2015, the principal amount of letter of credit obligations totaled $187.3 million, thereby further reducing available borrowing capacity on our ABL Facility to $255.6 million.

(9) As of December 31, 2014, we had no revolving loans drawn under the revolving credit agreement which had $1.125 billion availability. As of December 31, 2014, the principal amount of letter of credit obligations totaled $149.5 million, thereby reducing available borrowing capacity on the revolving credit agreement to $975.5 million.

Revolving Credit Facility

As of March 30, 2015, we eliminated the revolving credit agreement which was last amended on January 22, 2015 (Amendment No. 6). The revolving credit agreement was replaced with our ABL Facility.

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

ABL Facility

On March 30, 2015, we entered into a new senior secured asset-based revolving credit facility with various financial institutions. The ABL Facility will mature upon the earlier of March 30, 2020 or 60 days prior to the maturity of the New First Lien Notes (as defined below) and certain other material debt, and provides for up to $550.0 million in borrowings, comprised of (i) a $450.0 million U.S. tranche, including a $250.0 million sublimit for the issuance of letters of credit and a $100.0 million sublimit for U.S. swingline loans, and (ii) a $100.0 million Australian tranche, including a $50.0 million sublimit for the issuance of letters of credit and a $20.0 million sublimit for Australian swingline loans. Availability under both the U.S. tranche and Australian tranche of the ABL Facility is limited to an eligible U.S. borrowing base and Australian borrowing base, as applicable, determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

The ABL Facility and certain bank products and hedge obligations are guaranteed by us and certain of our existing wholly-owned U.S. and Australian subsidiaries and are required to be guaranteed by certain of our future U.S. and Australian subsidiaries; provided, however, that the obligations of any U.S. entity will not be guaranteed by any Australian entity. Amounts outstanding under the ABL Facility will be secured by (i) a first-priority security interest in the ABL Collateral (as defined herein), including, in the case of the Australian tranche only, ABL Collateral owned by a borrower or guarantor that is organized under the laws of Australia, and (ii) a third-priority security interest in the Notes Collateral (as defined herein). The priority of the security interests in the ABL Collateral and the Notes Collateral of the lenders under the ABL Facility and the holders of the First Lien Notes are set forth in intercreditor provisions contained in an ABL intercreditor agreement.

The ABL Collateral generally consists of the following assets: accounts receivable and other rights to payment, inventory, as-extracted collateral, investment property, certain general intangibles and commercial tort claims, certain mobile equipment, commodities accounts, deposit accounts, securities accounts and other related assets and proceeds and products of each of the foregoing.

Borrowings under the ABL Facility bear interest, at our option, at a base rate, an Australian base rate or, if certain conditions are met, a LIBOR rate, in each case plus an applicable margin. The base rate is equal to

The ABL Facility provides for customary events of default, including, among other things, the event of nonpayment of principal, interest, fees, or other amounts, a representation or warranty proving to have been materially incorrect when made, failure to perform or observe certain covenants within a specified period of time, a cross-default to certain material indebtedness, the bankruptcy or insolvency of the Company and certain of its subsidiaries, monetary judgment defaults of a specified amount, invalidity of any loan documentation, a change of control of the Company, and ERISA defaults resulting in liability of a specified amount. In the event of a default by us (beyond any applicable grace or cure period, if any), the administrative agent may and, at the direction of the requisite number of lenders, shall declare all amounts owing under the ABL Facility immediately due and payable, terminate such lenders' commitments to make loans under the ABL Facility and/or exercise any and all remedies and other rights under the ABL Facility. For certain defaults related to insolvency and receivership, the commitments of the lenders will be automatically terminated and all outstanding loans and other amounts will become immediately due and payable.

As of September 30, 2015, we were in compliance with the ABL Facility liquidity requirements and, therefore, the springing financial covenant requiring a minimum fixed charge coverage ratio of 1.0 to 1.0 was not applicable.

$540 Million 8.25 percent 2020 Senior Secured First Lien Notes - 2015 Offering

On March 30, 2015, we entered into an indenture among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee and notes collateral agent, relating to our issuance of $540 million aggregate principal amount of 8.25 percent Senior First Lien Notes due 2020 (the "First Lien Notes"). The First Lien Notes were sold on March 30, 2015 in a private transaction exempt from the registration requirements of the Securities Act.

The First Lien Notes bear interest at a rate of 8.25 percent per annum. Interest on the First Liens Notes is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2015. The First Lien Notes mature on March 31, 2020 and are secured senior obligations of the Company.

The First Lien Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by substantially all of our material U.S. subsidiaries and are secured (subject in each case to certain exceptions and permitted liens) by (i) a first-priority lien on substantially all of our U.S. assets, other than the ABL Collateral (the "Notes Collateral"), and (ii) a second-priority lien on the U.S. ABL Collateral, which is junior to a first-priority lien for the benefit of the lenders under the ABL Facility. The First Lien Notes and guarantees are general senior obligations of the Company and the applicable guarantor; are effectively senior to all of our unsecured indebtedness, to the extent of the value of the collateral; together with other obligations secured equally and ratably with the First Lien Notes, are effectively (i) senior to our existing and future ABL obligations, to the extent and value of the Notes Collateral and (ii) senior to our obligations under the Second Lien Notes, to the extent and value of the collateral; are effectively subordinated to (i) our existing and t nature o

cash proceeds of certain equity offerings, at a redemption price of 108.25 percent, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, so long as at least 65 percent of the original aggregate principal amount of the First Lien Notes (calculated after giving effect to any issuance of additional First Lien Notes) issued under the First Lien Notes indenture remain outstanding after each such redemption.

The First Lien Notes indenture contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, certain events of bankruptcy and insolvency, and failure to pay certain judgments. An event of default under the First Lien indenture will allow either the trustee or the holders of at least 25 percent in aggregate principal amount of the then-outstanding First Lien Notes issued under such indenture to accelerate, or in certain cases, will automatically cause the acceleration of the amounts due under the First Lien Notes.

$544 Million 7.75 percent Senior Secured Second Lien Notes - 2015 Offering

On March 30, 2015, we also entered into an indenture among the Company, the guarantors and U.S. Bank National Association, as trustee and notes collateral agent, relating to our issuance of $544.2 million aggregate principal amount of 7.75 percent second lien senior secured notes due 2020 (the "Second Lien Notes"). The Second Lien Notes were issued on March 30, 2015 in exchange offers for certain of our existing senior notes.

The Second Lien Notes bear interest at a rate of 7.75 percent per annum. Interest on the Second Lien Notes is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2015. The Second Lien Notes mature on March 31, 2020 and are secured senior obligations of the Company.

The Second Lien Notes have substantially similar terms to those of the First Lien Notes except with respect to their priority security interest in the collateral. The Second Lien Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by substantially all of our material U.S. subsidiaries and are secured (subject in each case to certain exceptions and permitted liens) by (i) a second-priority lien (junior to the First Lien Notes) on substantially all of our U.S. assets, other than the ABL Collateral, and (ii) a third-priority lien (junior to the ABL Fac F¾¤

	(In Millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	**2015**	2014
Service cost	**$ (1.6)**	$ (1.9)	**$ 1.4**	$ 1.4
Interest cost	**2.1**	2.2	**8.6**	9.0
Expected return on plan assets	**(4.5)**	(4.2)	**(13.7)**	(12.8)
Amortization:				

North American Coal Operations

As we continue to refine our strategy to one that focuses on strengthening our U.S. Iron Ore operations, management determined as of March 31, 2015 that our North American Coal operating segment met the criteria to be classified as held for sale under and continues to meet the criteria as of September 30, 2015. As such, all current and historical North American Coal operating segment results are included in our financial statement and classified within discontinued operations. Consistent with our strategy to extract maximum value from our current assets, we plan to sell the North American Coal assets within the next twelvi e n thets wit

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Our Canadian exit represents a strategic shift in our business. For this reason, our previously reported Eastern Canadian Iron Ore and Ferroalloys operating segment results for all periods prior to the respective deconsolidations as well as costs to exit are classified as discontinued operations.

	(In Millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
Loss from Discontinued Operations	**2015**	**2014**	**2015**	2014
Revenues from product sales and services	**$ —**	$ 148.0	**$ 11.3**	$ 480.3
Cost of goods sold and operating expenses	**—**	(224.7)	**(11.1)**	(645.2)
Eliminations with continuing operations	**—**	(27.6)	**—**	(56.6)
Sales margin	**—**	(104.3)	**0.2**	(221.5)
Other operating expense	**—**	(87.4)	**(33.8)**	(200.4)
Other expense	**—**	(1.5)	**(1.0)**	(4.5)
Loss from discontinued operations before income taxes	**—**	(193.2) m	**(34.6)**	(426.4)
Loss from deconsolidation	**(13.4)**	—	**(697.4)**	—
Impairment of long-lived assets	**—**	(6,566.8)	**—**	(6,566.8)
Income tax benefit (expense)	**(0.7)**	726.7	**—**	807.0
Loss from discontinued operations, net of tax	**$ (14.1)**	$ (6,033.3)		

estimated fair value of $84.5 million classified as in the Statements of Unaudited Condensed Consolidated nsCondensed ndensd5 ¾

NOTE 15 - CAPITAL STOCK

Dividends

On February 11, 2014, May 13, 2014, September 8, 2014 and 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 was paid on May 1, 2014, August 1, 2014, November 3, 2014, and February 2, 2015 to our Preferred Shareholders of [illegible]

related parties were as follows:

	(In Millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	**2015**	2014
Product revenues from related parties	**$ 208.0**	$ 285.2	**$ 468.0**	$ 625.4
Total product revenues	**542.5**	901.9	**1,399.9**	2,161.7
Related party product ue as a percent of t oduct revenue	**38.3%**	31.6%	**33.4%**	28.9%

Amounts due fr lated parties re d in and including trade accounts receivable, a customer supply agreement and pr d pricing ments, were $12.2 million and $127.6 million at September 30, 2015 and December 31, 2014, respectively. Amounts due to related part and including provisional RD arrangem

earnings per share calculation excludes 25.2 million depositary shares that were anti-dilutive for the three and nine months ended September 30, 2015 and 2014. Additionally, the diluted earnings per share calculation excludes 0.1 million shares and 0.2 million shares for the three and nine months ended September 30, 2015, and 0.5 million shares and 0.9 million shares for the three and nine months ended September 30, 2014, related to equity plan awards that would have been anti-dilutive.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

Co i“ v ies

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 Wrn

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Management's Discussion and Analysis of Financial Condition and Resu l

Additionally, the first quarter sales tons for U.S. Iron Ore in both 2015 and 2014 include a substantial amount of carry over tonnage from prior year nominations which are priced based on prior year price formulas.

The metallurgical coal market continues to be in an oversupplied position due to continued supply from Australian producers and inconsistent demand for imported coal in China. Australian producers, benefiting from a devaluated local currency, are very competitive in European and South American markets. Reductions in global coal supply over the last 12 months have yet to correct the oversupplied position of the market. The quarterly benchmark price for premium low-volatile hard coking coal between Australian metallurgical coal suppliers and Japanese and Korean consumers decreased 22.5 percent to a third quarter average of $93 per metric ton in 2015 versus the 2014 third quarter average of $120 per metric ton. In comparison, the year-to-date quarterly benchmark average price for premium low-volatile hard coking coal decreased 16.6 percent to $107 per metric ton during the nine months ended September 30, 2015 when compared to the same period in 2014.

For the three and nine months ended September 30, 2015, our consolidated revenues were $593.2 million and $1,537.3 million, respectively. There was net income from continuing operations per diluted share of $0.19 for the three months ended September 30, 2015 and net income from continuing operations per diluted share of $0.87 for the nine months ended September 30, 2015. This compares with consolidated revenues of $979.7 million and $2,342.9 million, respectively, and with net loss from continuing operations per diluted share of $1.89 and $1.14, respectively, for the comparable periods in 2014. Net income from continuing operations in the three months ended September 30, 2015 was positively impacted by a $79.2 million gain on extinguishment of debt. Additionally, results for the three months ended September 30, 2015 were impacted favorably by the decrease in income tax expense of $87.5 million primarily related to unfavorable events in the third quarter of 2014 including the repeal of the Australian Mineral Resources Rent Tax and the placement of a valuation allowance against current year Australian losses. This favorable impact was offset by lower sales margin which decreased by $201.1 million in the three months ended September 30, 2015 when compared to the same period of 2014 primarily driven by lower market pricing for our products and decreased sales volume partially offset by cost cutting measures and favorable foreign exchange rates. Net income from continuing operations in the nine months ended September 30, 2015 was positively impacted by a $392.9 million gain on extinguishment of debt. This was offset by lower sales margin which decreased by $436.5 million in the nine months ended September 30, 2015 when compared to the same period of 2014 primarily driven by lower market pricing for our products and decreased sales volume partially offset by cost cutting measures and favorable foreign exchange rates. Additionally, results for the nine months ended September 30, 2015 were impacted negatively by the increase in income tax expense of $48.6 million primarily due to the net increase in the valuation allowance on U.S. deferred tax assets, partially offset by the utilization of net operating losses. Net income in the three and nine months ended September 30, 2014 was impacted primarily by $303.5 million of long-lived asset impairment and $73.5 million of goodwill impairment, recorded in the third quarter of 2014.

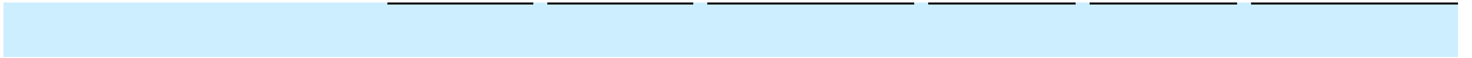
Strategy

The Company is Focused on our Core U.S. Iron Ore Business

We continue the strategic shift to become a company fully focused on our U.S. Iron Ore business. 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 North America steel producers. Cliffs has the unique advantage of being a low cost producer of iron ore pellets in the U.S. market. Pricing structures contained in and the long-term supply provided by our existing contracts, along with our low-cost operating profile, positions U.S. Iron Ore as our most stable business. We expect to continue to strengthen our U.S. Iron Ore cost operating profile through continuous operational improvements and disciplined capital allocation policies. Strategically, we continue to develop various entry options for the EAF market. As the EAF steel market continues to grow and evolve in the U.S., there is a potential for iron ore to serve this market through DR-pellets. Near term, we are focused on trial runs under actual operating conditions to confirm what we have already demonstrated in smaller batch trials of DR-pellets. As a market leader in value-added iron ore pellets, we believe this will open up a new opportunity for us to diversify our product mix and add new customers to our U.S. Iron Ore business beyond the traditional blast furnace clientele.

Reviewing All Other Businesses for Either Optimization, Divestiture or Shutdown

We commenced restructuring proceedings for our Eastern Canadian Iron Ore businesses under the CCAA in the first quarter of 2015. During the second quarter of 2015, the CCAA protection granted to the Bloom Lake Group was extended to include the Wabush Group to facilitate the reorganization of each of their businesses and operations. For more information regarding the status of our divestiture of our Eastern Canadian Iron Ore business, see NOTE 14 - DISCONTINUED OPERATIONS for further information. As an extension of our re-focused U.S. Iron Ore strategy, we continue to consider further divestitures of the Asia Pacific Iron Ore and North American Coal businesses. We believe



Discrete items for the nine months ended September 30, 2015 resulted in an expense of approximately $162.6 million. These adjustments relate primarily to the placement of a valuation allowance against U.S. deferred tax assets that were recognized in prior years. Discrete items for the nine

Changes in customer pricing negatively affected the realized revenue rate by $8 per ton driven primarily by the reduction in Platts 62 percent Fe fines spot price and other indices used in the contracts; and

Realized revenue rates impacted negatively by $7 per ton related to one customer contract with a reduced average selling price due to a change in the pricing mechanism as prescribed in the current contract which shifted the contract from a fixed rate to a rate impacted by the Platts 62 percent Fe fines spot price, as well as other market rates.

- Lower sales volumes of 1,24wv

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The following is a summary of U.S. Iron Ore results for the nine months ended September 30, 2015 and 2014:

	(In Millions)						
			Changes due to:				
	NineS F	FS F	F	M—	—	X	

Cost of goods sold and operating expenses in the nine months ended September 30, 2015 decreased $237.8 million, excluding the increases of $18.9 million of freight and reimbursements, compared to the same period in 2014 primarily as a result of:

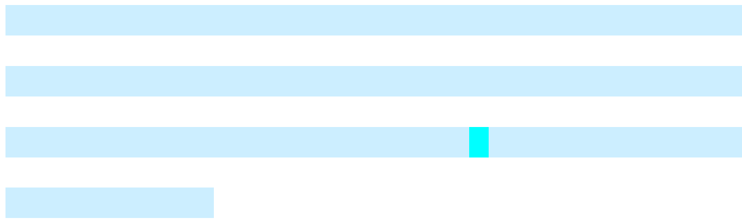
- A reduction in depreciation, amortization and depletion expense of $104.5 million primarily due to the long-lived asset impairments taken during the second half of 2014 and reduced mining costs of $62.6 million mainly due to decreased mining and hauling volumes and increases in productivity related to maintenance, hauling and train loading, and lower headcount; and
- Favorable foreign exchange rate variances of $74.9 million or $9 per ton.
- These decreases were offset partially by higher sales volumes, as discussed above, that resulted in increased costs of $6.5 million compared to the same period in the prior year.

Production: [illegible] Asia Pacific Iron Ore during the three and nine months ended September 30, 2015 remained consistent when compared to the same periods in 2014 with a slight increase of 139 thousand production tons and 345 thousand production tons or 5.0 percent and 4.2 percent, respectively. The increase in production tons compared to the prior-year periods is mainly attributable to increased rail capacity.

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 are focused on the preservation of liquidity in our business through the maximization of cash generation of our operations as well as reductions of any discretionary operating expenses, capital investment and selling, general and administrative expenses. These efforts are critical in light of the continued weakened market conditions as we continue to face the challenges and u[illegible]

Our strategy to address increasing



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removal and remand motions, is now pending in Cuyahoga County Court of Common Pleas, No. CV-14-828140. 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. The parties successfully mediated this dispute and reached a settlement agreement in principle, subject to a court approval process. This lawsuit had been referred to our insurance carriers and the settlement is not material to the Company.

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 asserts claims for declaratory judgment, permanent injunctive relief and nuisance. 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, which motion was denied. 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. The parties' respective motions for summary judgment were denied by the Circuit Court in June, 2015, including plaintiff's motion to enjoin mining. Discovery is ongoing. Trial is scheduled for October 2016. Plaintiff's plans to move the pipeline before mining are underway and such move is expected to be completed by April 2016.

Item 1A. *Risk Factors*

Our Annual Report on Form 10-K for the year ended December 31, 2014 includes a detailed discussion of our risk factors. The information presented below amends, updates and should be read in conjunction with the risk factors and information disclosed in that Form 10-K and in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015.

We may be unable to obtain and renew permi , Mq ê

EXHIBIT 10.1

CLIFFS NATURAL RESOURCES INC.
2015 EQUITY AND INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK UNIT AWARD MEMORANDUM

Employee

Participant was employed with thed ¾¤

value at least equal to the value of the Replaced Award; (iii) that [illegible] successor in the Change in Control or another entity that is affiliated [illegible] (iv) if the Participant holding the Replaced Award is subject to U.S. [illegible] such Participant under the Code are not less favorable to such Par[illegible] other terms and conditions of which are not less favorable to the Participant [illegible] the Replaced Award (including the provisions that would apply in the event [illegible] may be granted only to the extent it does not result in the Replaced Award or [illegible] Section 409A of the Code. Without limiting the generality of the foregoing, the [illegible] the Replaced Award if the requirements of the two preceding sentences are [illegible] Section 1.3(f) are satisfied will be made by the Committee, as consti[illegible]tion.

(g) For purposes of this Agreement, a termination [illegible] Participant shall have committed: (i) and been convicted of a criminal violation [illegible] or her duties or in the course of his or her employment with the Company or [illegible] wrongful damage to property of the Company or any Affiliate (or the Successo[illegible] processes or confidential information of the Company or any Affiliate (or [illegible] engagement in any competitive activity; and any such act shall have been [illegible] Affiliate (or the Successor, if applicable). For purposes of this Agreement, n[illegible] deemed “intentional” if it was due primarily to an error in judgment [illegible] to be done by the Participant not in good faith and without reas[illegible] interest of the Company or an Affiliate (or the Successor, if applicab[illegible]

(h) A termination “for Good Reason” shall mean the Pa[illegible] of the initial occurrence, without the Participant’s consent, of one or more [illegible]

(i) a material diminution in the Participant’s annual ba[illegible]

(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 unles

Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) All decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) The Participant's participation in the Pb Pb P ci

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 Stock Units and on any Common 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 Common 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 Common Shares will be issued at the earliest date at which the Company reasonably anticipates that the issuance of the Common 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 Stock Units are paid in accordance with Section 1.4, the Participant will be entitled to dividend equivalents on Restricted Stock Units equal to the cash dividend or distribution that would have been paid on the Restricted Stock Units had the Restricted Stock Units been issued and outstanding Common 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 Stock Units to which they relate, and (b) will be denominated and payable solely in cash.

4.3 Withholding Taxes. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by the Participant under this Agreement, and the amounts available to the Company for such withholding are insufficient, i o itthe

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 Stock Units or other equity awards or administer or maintain such awards. Therefore, the Participane hm refuence of o ousing or wf conro o, hocipanteist , verse,ereanage the ge r , mpoth,erorage the ni, ch 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	

EXHIBIT 10.2

CLIFFS NATURAL RESOURCES INC.
2015 EQUITY AND INCENTIVE COMPENSATION PLAN

CASH RETENTION AWARD MEMORANDUM

Employee:	**PARTICIPANT NAME**
Date of Grant:	**September 10, 2015**
Amount of Cash Subject to Award:	**$ Cash Granted**
Vesting Date:	**February 28, 2017**

Additional terms and conditions of your award are included in the Cash Retention Award Agreement.

Note: Article 2.1 of the Cash Retention 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.

(f) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., service-based cash award opportunity) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that is payable in cash; (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 fo[illegible] a continuation of the e Repla[illegible] t f a conti ar pl[illegible]

month after the date of Participant's termination of employment or, if earlier, the date of the Participant's death.

(e) General. **The Cash Retenti**on Award is to be settled in cash. The Committee may withhold cash 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.

(f) Payment Obligation. Prior to payment, the Company shall only have an unfunded and unsecured ad[illegible] rior to

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 Common Shares of or directorships in the Company that are held, details of all Cash Retention Awards awarded, canceled, 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

4.12 **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Cash

Exhibit 31.2

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 Quarterly Report of Cliffs Natural Resources Inc. (the "Company") on Form 10-Q for the period ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), 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-Q 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-Q 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-Q.

Date: October 29, 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 Quarterly Report of Cliffs Natural Resources Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), I, P. Kelly Tompkins, Executive Vice President & 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-Q 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-Q 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-Q.

Date: October 29, 2015

By: /s/ P. Kelly Tompkins
P. Kelly Tompkins
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 [illegible] that MSHA has issued with respect to our mining operations. In evaluating [illegible]

[illegible]