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We produce various grades of iron ore pellets, including standard and fluxed, for use in our customers' blast furnaces as part of the steelmaking process. Additionally, as the EAF steel market continues to grow in the U.S., there is an opportunity for our iron ore to serve this market by providing pellets to the alternative metalics market to produce direct reduced iron pellets, hot briquetted iron and/or pig iron. In 2015, we





the supply requirements of our customers. Production in 2015 was 11.7 million metric tons, compared with 11.4 million metric tons in 2014 and 11.1 million metric tons in 2013.

Kooyanobbing is a collective term for the deposits at Kooyanobbing, Mount Jackson and Windarling. There are approximately 70 miles separating the three mining areas. The operations at Windarling have been idled since the beginning of the fourth quarter of 2015 as a result of cost cutting measures. Banded iron formations host the mineralization, which is predominately hematite and goethite. Each deposit is characterized with different chemical and physical attributes and, in order to achieve customer product quality, ore in varying quantities from each deposit must be blended together.

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

#### *Asia Pacific Iron Ore Customers*

Asia Pacific Iron Ore's production is under contract with steel companies primarily in China, Japan and Korea. In March 2015, we extended the majority of our supply agreements with steel producers in China, and one steel producer in Japan, for two years. The remaining supply agreements with our China steel clients, as well as clients in Japan and Korea, will currently expire in March 2016, but we anticipate that the majority of these contracts will be renewed for the remainder of 2016 in conjunction with our customers' fiscal year. Pricing for our Asia Pacific Iron Ore Chinese customers consists of shorter-term pricing mechanisms of various durations up to 45 days based on the average of daily spot prices that are generally associated with the time of unloading of each shipment.

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**Concentration of Customers**

In 2015, 2014 and 2013 we had three customers that individually accounted for more than 10 percent of our consolidated product revenue. Product revenue from those customers represented in the chart below totaled approximately \$1.3 billion, \$1.9 billion and \$1.9 billion of our total consolidated product revenue in 2015, 2014 and 2013, respectively, and is attributable to our U.S. Iron Ore business segment. The following represents sales revenue from each of these customers as a percentage of our total consolidated product revenue, as well as the portion of product sales for U.S. Iron Ore that is attributable to each of these customers in 2015, 2014 and 2013, respectively:

Customer <sup>2</sup>	Percentage of Total Product Revenue <sup>1</sup>		
	2015	2014	2013
ArcelorMittal	37%	29%	24%
AK Steel <sup>3</sup>	21%	20%	14%
Essar <sup>4</sup>	12%	13%	14%

<sup>1</sup> Excluding freight and venture partners' cost reimbursements.

<sup>2</sup> Includes subsidiaries.

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

<sup>4</sup> On October 5, 2015, we terminated the long term agreement with Essar.

Customer <sup>2</sup>	Percentage of U.S. Iron Ore Product Revenue <sup>1</sup>	
	2015	2014

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A number of factors beyond our control affect the markets in which we sell our iron ore. Continued demand for our iron ore and the prices obtained by us primarily depend on the consumption patterns of the steel industry in the U.S., China and elsewhere around the world, as well as the availability, location, cost of transportation and competing prices.

**Asia Pacific**

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

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

**Environment**

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

Environmental issues and their management continued to be an important focus at each of our operations throughout 2015. In the construction of our facilities and in their operation, substantial costs have been incurred and will continue to be incurred to avoid undue effect on the environment. Our capital expenditures relating to environmental matters totaled approximately \$17 million, \$33 million and \$32 million, in 2015, 2014 and 2013, respectively. Approximately \$8 million

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*Climate Change and GHG Regulation*

With the complexities and uncertainties associated with the U.S. and global navigation of the climate change issue as a whole, one at



*Regional Haze*

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

Minnesota submitted a regional haze SIP to the EPA on December 30, 2009, and a supplement to the SIP on May 8, 2012. Michigan submitted its regional haze SIP to the EPA on November 5, 2010. During the second quarter of 2012, the EPA also sent information requests to all taconite facilities requesting information on SO<sub>2</sub> and NO<sub>x</sub> emissions and control technology assessments. On June 12, 2012, the EPA approved revisions to the Minnesota SIP addressing regional haze, but also announced it was deferring action on emission limitations that Minnesota intended to represent BART for taconite facilities. On August 15, 2012, the EPA proposed to deny the Michigan and Minnesota taconite SIP BART determinations and simultaneously proposed a separate FIP for taconite facilities. During the comment period for the proposed FIP rule, the taconite industry and other stakeholders developed detailed comments and shared information to address furnace specific case-by-case circumstances. On January 15, 2013, the EPA signed the final FIP for taconite facilities. The final FIP reflects progress toward a more technically and economically feasible regional haze implementation plan and eliminates the need for investing in additional SO<sub>2</sub> emission control equipment. However, we remain concerned about the technical and economic feasibility of EPA's BART determination for NO<sub>x</sub> emissions and we filed a petition for review in the 8<sup>th</sup> Circuit Court and subsequently received a judicial stay of the FIP, which enabled us to conduct detailed engineering analysis to determine the impact of the regulations on each unique iron ore indurating shed FIPs of industry. The engineering analysis is available at [http://www.epa.gov/region9/taconite](#).



*Mercury TMDL and Minnesota Taconite Mercury Reduction Strategy*

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

According to the voluntary agreement, the mines proceeded with medium- and long-term testing of possible technologies. For Cliffs, the requirements in the voluntary agreement apply to the United Taconite and Hibbing facilities. At this time, we are unable to predict the potential impacts of the voluntary Taconite Mercury Reduction Strategy. However, a number of research projects were conducted between 2011 and 2014 as the industry continues to assess options for reduction. While injection of powdered activated carbon into furnace off-gasses for mercury capture in the wet scrubbers showed positive initial results, further research is needed to determine the potential impacts of this technology.

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

The EPA and Army Corps of Engineers' promulgated the rule, "Definition of 'Waters of the United States' Under the Clean Water Act," 80 Fed. Reg. 37053 (June 29, 2015), which attempted to add clarity to which waters are jurisdictional under the federal Clean Water Act, and will apply to all Clean Water Act programs, including the Sec. 402 and Sec. 404 permitting programs, Sec. 311 spill prevention program and Sec. 401 state certification process. It is unclear how the federal and state agencies will implement and enforce the final rule, and how the courts will interpret going forward. The regulation may expand EPA's authority under the Clean Water Act to many traditionally unregulated mine features such as mine pits, pit lakes, on site ditches, water retention structures, and tailings basins creating a new burden on our U.S. facilities. This could further be interpreted to add questionable regulatory authority over the groundwater connections between these features and nearby traditionally navigable waters. On October 9, 2015, the U.S. Court of Appeals for the Sixth Circuit issued a nationwide stay of this rule while the jurisdiction and legality of the rule are decided in court. We are actively participating in the rulemaking development and assessing the potential impacts to our operations. Because the rule is being litigated, and until the rule is finally implemented, any impacts to Cliffs are not estimable at this time.

*Minnesota's Proposed Sulfate Wild Rice Water Quality Standard*

The Minnesota Legislature provided \$1.5 million in 2011 for a study to gather additional information about the effects of sulfate and other substances on the growth of wild rice, and to support an update to the sulfate wild rice water quality standard originally adopted in 1973 by the MPCA. The MPCA contracted with the University of Minnesota to conduct several research projects as part of this study. Concurrently, the Minnesota Chamber of Commerce contracted an independent lab to conduct companion research on the impacts of sulfate on wild rice. In March 2015, MPCA released a draft proposal. The ilap



## Energy

### ***Electricity***

The state of Michigan is a deregulated electricity state, which affords our mines the ability to purchase electrical energy supply from various suppliers while continuing to purchase distribution service from the incumbent utility. As of September 1, 2013, our Tilden and Empire mines in Michigan exercised the right to purchase electrical supply from Integrys Energy Services while continuing to purchase distribution service from Wisconsin Electric Power Company. The pricing of electricity in the deregulated market is based on the Midwestern Independent System Operator Day-Ahead price. Beginning on February 1, 2015, we began purchasing our electricity supply from the Wisconsin Electric Power Company in a regulated fashion as we terminated our contract with Integrys Energy Services. As of February 1, 2015, Wisconsin Electric Power Company is the sole supplier of electric power to our Empire and Tilden mines. As of April 24, 2015, the Tilden and Empire mines executed special electricity contracts with Wisconsin Electric Power Company. The term of these contracts is through 2019. Wisconsin Electric Power Company provides 300 megawatts of electricity to Empire and Tilden at special rates that are regulated by the MPSC. The pricing under these contracts is generally fixed except Empire and Tilden are subject to frequent changes in Wisconsin Electric Power Company's power supply adjustment factor. Empire and Tilden may also incur additional liabilities depending on the outcome of various proceedings concerning MISO's revised cost allocation methodology for continued operation of the Presque Isle Power Plant in Michigan. If FERC were to decide to award SSR costs based on a revised cost allocation methodology applied retroactively, this could result in a substantial potential liability to our Empire and Tilden mines.

Electric power for the Hibbing and United Taconite mines is supplied by Minnesota Power. On September 16, 2008, the mines finalized agreements with terms from November 1, 2008 through December 31, 2015. The agreements were approved by the MPUC in 2009. The terms of the agreements included an automatic five-year extension that began January 1, 2016.

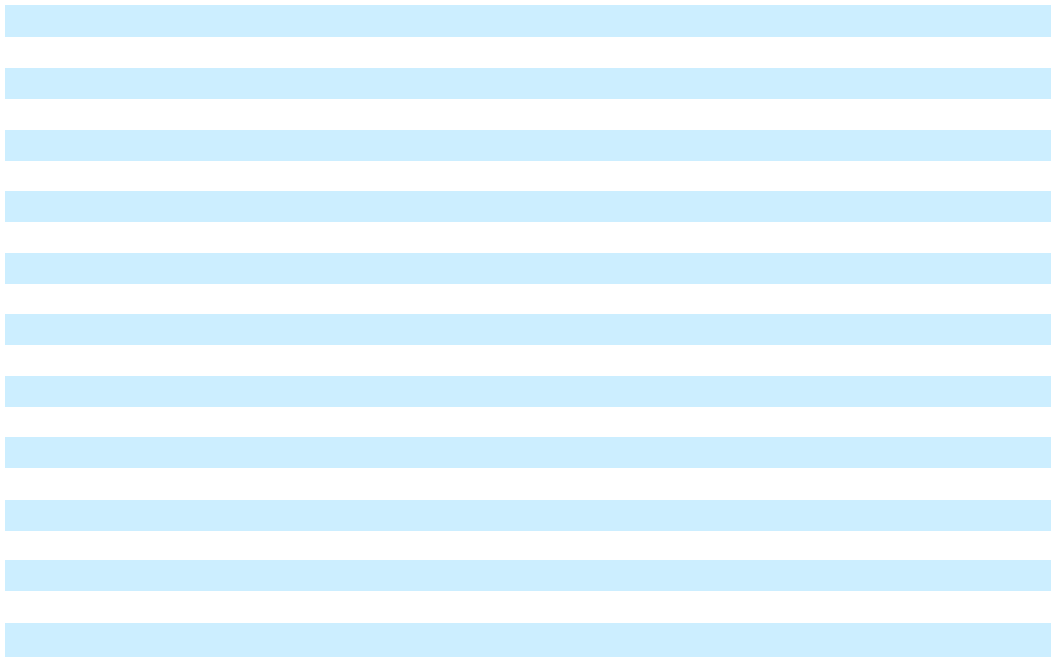
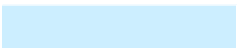
Silver Bay Power Company, a wholly owned subsidiary of ours, with a 115 megawatt power plant, provides the majority of Northshore's electrical energy requirements. Silver Bay Power has an interconnection agreement with Minnesota Power for backup power when excess generation is necessary.

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

### ***Process and Diesel Fuel***

We have a long-term contract providing for the transport of natural gas on the Northern Natural Gas Pipeline for our U.S. Iron Ore operations. At U.S. Iron Ore, the Empire and Tilden mines have the capability of burning natural gas, coal or, to a lesser extent, oil. The Hibbing and Northshore mines have the capability to burn natural gas and oil. The United Taconite mine has the ability to burn coal, natural gas and petroleum coke. Consistent with 2015, we expect during 2016 our U.S. Iron Ore operations will utilize both natural gas and coal to heat furnaces and produce power at our Silver Bay Power facility.

All of our mines utilize diesel fuel mainly for our mobile fleet. Como Oil and Propane supplies diesel fuel to all of our U.S. Iron Ore locations from the Calumet refinery in Superior, Wisconsin. Our U.S. Iron Ore locations are contracted with Como Oil and Propane through the end of 2018.



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31, 2014 and we are actively bargaining with the seven unions that represent them for successor agreements. These employees negotiate under the Railway Labor Act, which provides that labor agreements remain in force until replaced by a successor agreement. Under the Railway Labor Act work stoppages cannot occur until the parties have engaged in substantial negotiations as have







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

Expected global growth of iron ore demand, particularly from China, has resulted in iron ore suppliers expanding their production capacity. The supply of iron ore oopl he







Mining companies must obtain numer





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

Our ability to receive payment for products sold and delivered to our customers depends on the creditworthiness of our customers. With respect to our Asia Pacific business unit, payment typically is received as the products are shipped and much of the product is secured by bank letters of credit. By contrast, in our U.S. Iron Ore business unit, generally, we deliver iron ore products to our customers' facilities in advance of payment for those products. Under this practice for our U.S. customers, title and risk of loss with respect to U.S. Iron Ore products does not pass to the customer until payment for the pellets is received; however, there is typically a period of time in which pellets, for which we have reserved title, are within our customers' control. Where we have Qet dit ¼

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***The availability of capital may be limited.***

We may need to access the capital markets to finance ongoing operations, any development of existing mining properties and our other cash requirements. Our substantial indebtedness could make it more difficult for us to borrow money in the future and may reduce the amount of money available to finance our operations and other business activities and may have other detrimental consequences, including the following: requiring us to dedicate a substantial portion of our cash flow from operations to the payment of principal, premium, if any, and interest on our debt, which will reduce funds available for other purposes; exposing us to the risk of increased interest costs if the underlying interest rates rise on our existing credit facility or other variable rate debt; making it more difficult to ult t r4

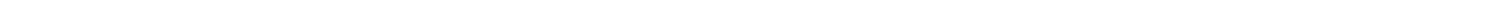
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**IV. OPERATIONAL  
RISKS**

***Mine closures entail substantial***



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



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or losses on the sales of, or lost operating income from, non-core assets may affect our profitability. Moreover, we may incur asset impairment charges related to divestitures that reduce our profitability. Our divestiture activities may also present financial, managerial and operational risks. Those risks include diversion of management attention from existing businesses, difficulties separating personnel and financial and other <sup>11</sup> ¾

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

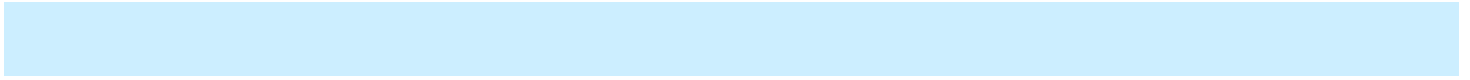
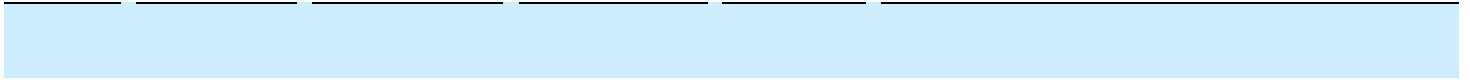
A portion of our mining operations are conducted on properties we lease, license or as to w

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mines



## Asia Pacific Iron Ore

The following map shows the locat



## **North American Coal**

Throughout the majority of 2015, we directly owned and operated two North American coal mining complexes from which we produced a total of 4.3 million tons of coal in 2015. In the fourth quarter of 2015, we sold these two coal mining complexes, Pinnacle mine and Oak Grove mine, marking our exit from the coal business. The sale was completed on December 22, 2015. In 2014 and 2013, we produced 7.5 million and 7.2 million0

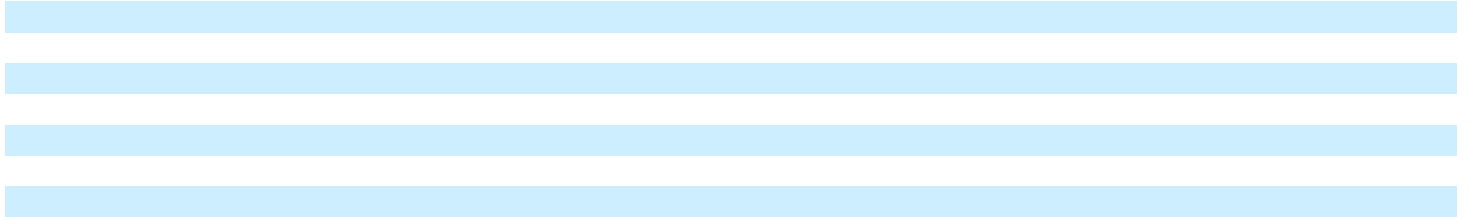
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Realized prices are based on pricing that does not exceed the three-year trailing average of benchmark prices for iron ore adjusted to our realized price. For the purpose of benchmarking iron ore

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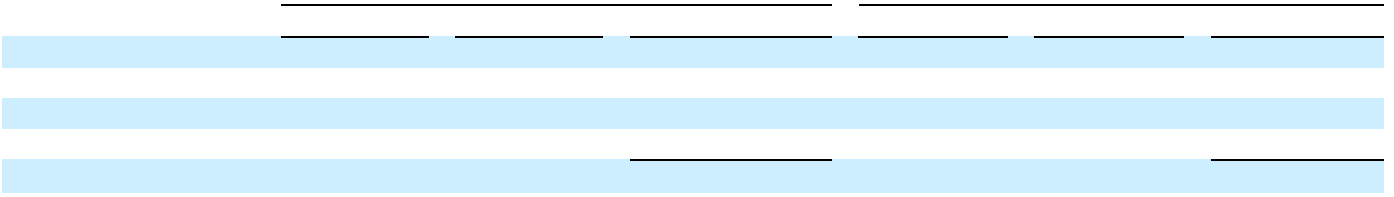


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misleading information regarding operations at our Bloom Lake mine in Québec, Canada, and the impact of those operations on our finances and outlook, including susta











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

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

**Industry Overview**

The key driver of our business is demand for steelmaking raw materials from U.S. steelmakers. In 2015, the U.S. produced approximately 79 million metric tons of crude steel or about 5 percent of total global crude steel production. This represents an approximate 10 percent decrease in U.S. crude steel production when compared to 2014. U.S. total steel capacity utilization was approximately 71 percent in 2015, which is an approximate 7 percent decrease from 2014. Additionally, in 2015, China produced approximately 804 million metric tons of crude steel, or approximately 50 percent of total global crude steel production. These figures represent an approximate 2 percent decrease in Chinese crude steel production when compared to 2014. Throughout 2015, global crude steel production decreased about 3 percent compared to 2014.

Throughout 2015, the Platts 62 percent Fe fines spot price has been driven down by a combination of reduced domestic steel demand from China and increased global iron ore production leading to excess supply, as well as mining cost deflation and a sharp fall in Australian and Brazilian currencies versus the U.S. dollar. In 2016, we do not expect to see meaningful improvement in iron ore prices without significant changes to the global iron ore supply-demand picture.

The iron ore supply-demand situation has not only adversely impacted iron ore producers, but also the global steel industry. Currently, the global steel industry is experiencing its worst conditions in over a decade, with prices for products falling even lower than those realized during the most recent recession - the 2008 global financial crisis. We believe that very low cost iron ore has contributed substantially to foreign steel exported out of China and other countries into the U.S. market. As a result of these imports, as well as the continued weakening of the oil and gas sector, domestic pricing for steel has been depressed and in turn, our customers' demand for pellets has fallen. In 2016, we expect these conditions to improve as recently imposed duties on unfairly traded steel should curb the steel imports entering the U.S, and as a result we expect to see domestic steel pricing rising throughout 2016.

The Platts 62 percent Fe fines spot price decreased 37 percent to an average price of \$47 per ton for the three months ended December 31, 2015 compared to the respective quarter of 2014. In comparison, the year to date Platts 62 percent Fe fines spot pricing has decreased 43 percent to an average price of \$56 per ton during the year ended December 31, 2015. These large decreases in the Platts 62 percent Fe fines spot price were driven by insufficient growth in Chinese demand to absorb the additional seaborne supply. The spot price volatility impacts our realized revenue rates, particularly in our Asia Pacific Iron Ore business segment because its contracts correlate heavily to world market spot pricing and to a lesser extent certain of our U.S. Iron Ore contracts.

As a result of our long-term contracts, for the three months and year ended December 31, 2015 when compared to the comparable prior year, our U.S. Iron Ore revenues experienced a realized revenue rate decrease of 25 percent and 23 percent, respectively, versus the much higher decreases in Platts 62 percent Fe fines spot price. 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.

Our consolidated revenues for the years ended December 31, 2015 and 2014 were \$2.0 billion and \$3.4 billion, respectively, with net income from continuing operations per diluted share of \$0.63 and net loss from continuing operations per diluted share of \$0.14, respectively. Net income from continuing operations for the year ended December 31, 2015 was impacted positively by a \$392.9 million gain on extinguishment of debt. This was offset by lower sales margin which decreased by \$649.2 million for the year ended December 31, 2015 when compared to 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 year ended December 31, 2015 were impacted negatively by the increase in income tax expense of \$255.3 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 from continuing operations in 2014 was impacted negatively by \$562.0 million of long-lived asset impairment recorded in the second half of 2014 along with \$73.5 million of goodwill impairment recorded in the third quarter of 2014.

**Strategy**

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

We continue the strategic shift to a company focused fully on our U.S. Iron Ore business. We are the market-leading iron ore producer in the U.S.





**North American Coal Operations**


On December 22, 2015, we closed the sale of our remaining North American Coal business which included Pinnacle mine in West Virginia and Oak Grove mine in Alabama. ~~we~~ ~~ret~~ ~~eb~~

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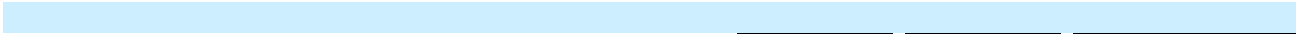


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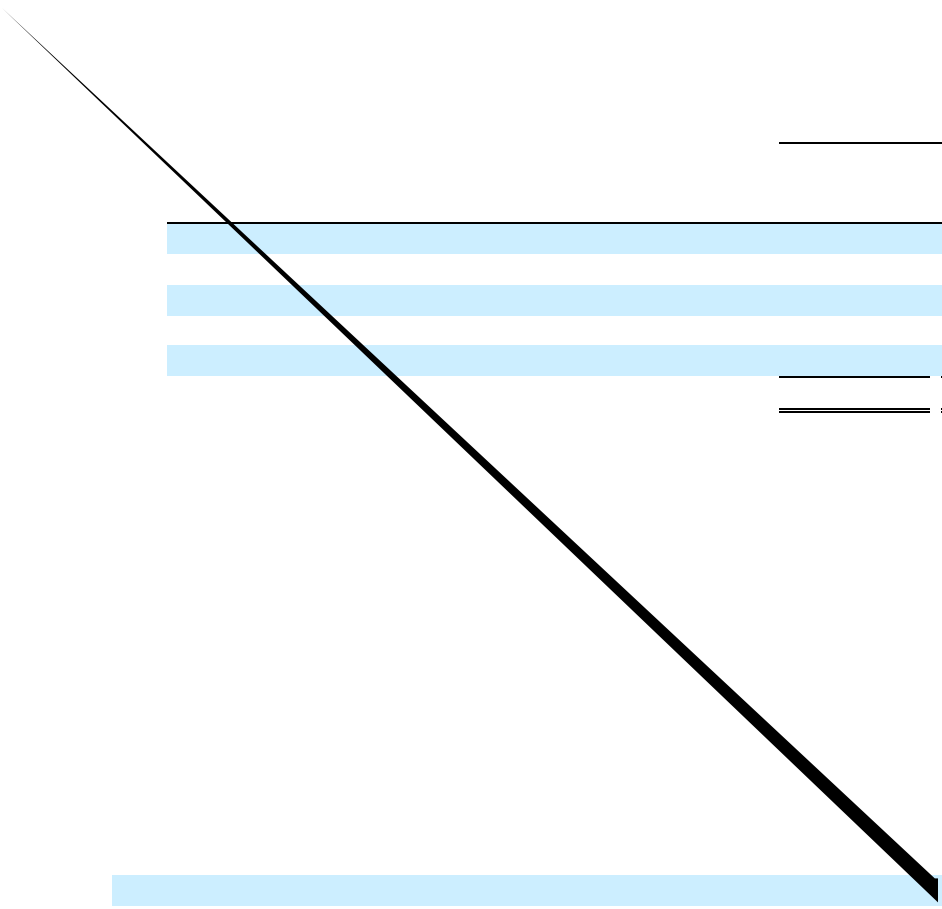
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Results of Operations – Segment Information for additional information regarding the specific factors that impacted revenue during the period.

**Cost of Goods Sold and Operating Expenses**

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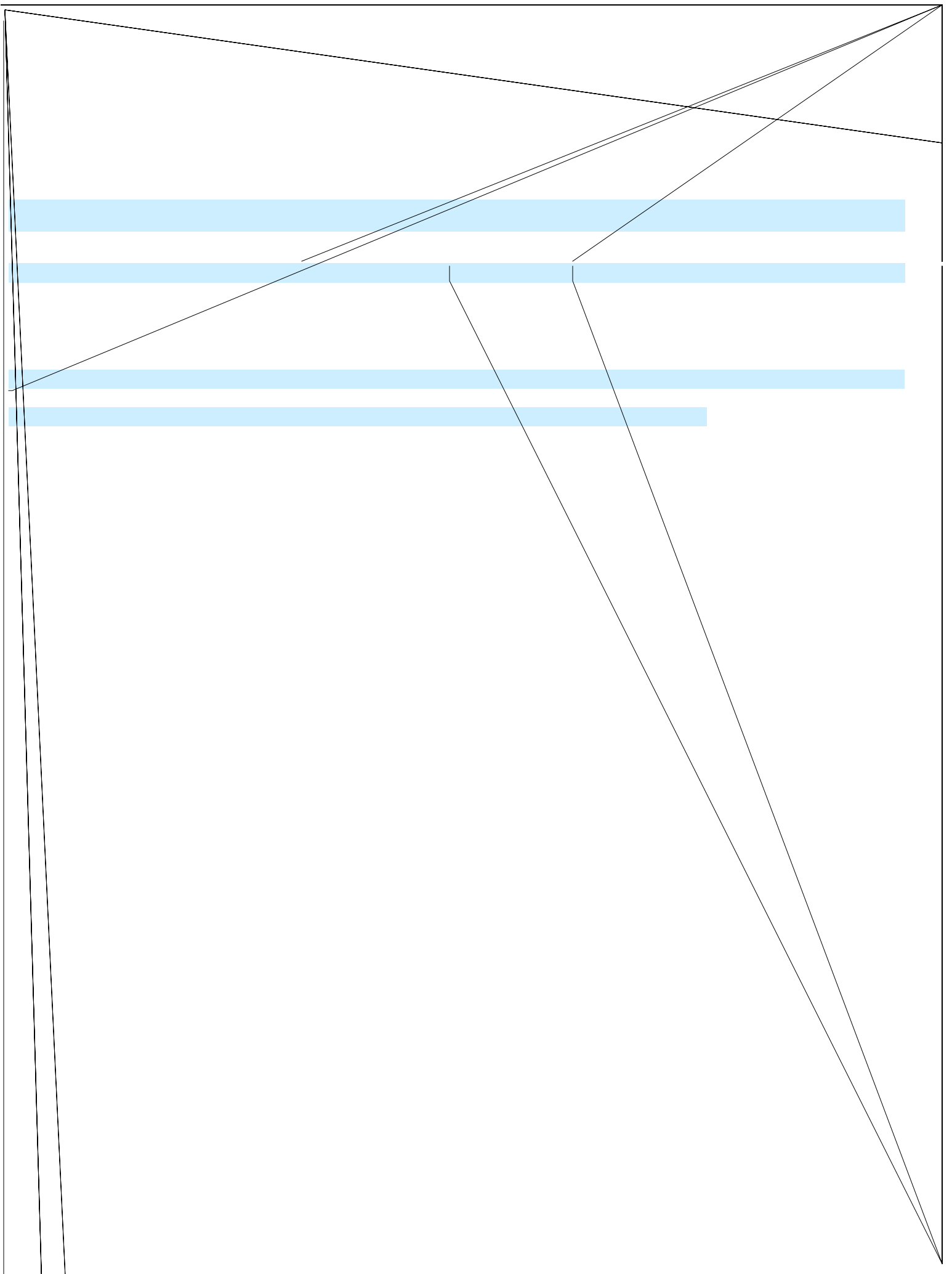












Realized revenue rates impacted negatively by \$5 per ton related to one major customer contract with a reduced average selling price due to a contractual change in the 2014 pricing mechanism.

- Primarily offset by higher sales volumes of 541 thousand tons or \$60.8 million due to:

Higher Great Lakes sales due to increased contracted tons in 2014 from two customers due to separate contract extensions/amendments, higher demand from a customer due to the Great Lakes freeze preventing the customer from reaching its self-produced ore, along with higher demand from the same customer.

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- Favorable foreign exchange rate variances
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believe that very low cost iron ore has contributed substantially to foreign steel exported out of China and other









**Pricing Risks**

*Commodity Price Risk*

Our consolidated revenues include the sale of iron ore pellets, iron ore lump and iron ore fines. Our financial results can vary significantly as a result of fluctuations in the market prices of iron ore. World market prices for these commodities have fluctuated historically and are affected by numerous factors beyond our control. The world market price that most commonly is pris

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of \$562.0 million for the year ended December 31, 2014. Although certain factors indicated that the carrying value of certain asset groups may not be recoverable during 2015, an assessment was performed and no further impairment was indicated.

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

#### **Employee Retirement Benefit Obligations**

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

Following is a summary of our U.S. defined benefit pension and OPEB funding and expense for the years 2013 through 2016:

	<b>Pension</b>		<b>OPEB</b>	
	<b>Funding</b>	<b>Expense</b>	<b>Funding</b>	<b>Expense</b>
2013	\$ 42.9	\$ 46.8	\$ 19.0	\$ 3.2
2014	49.6	26.2	5.5	(2.5)
<b>2015</b>	<b>35.7</b>	<b>23.9</b>	<b>3.5</b>	<b>4.4</b>
2016 (Estimated)	1.2	16.3	4.1	(4.4)

Assumptions used in determining the benefit obligations and the value of plan assets for defined benefit pension plans and postretirement benefit plans (primarily retiree healthcare benefits) that we offer are evaluated periodically by independent actuaries for all assumptions used.

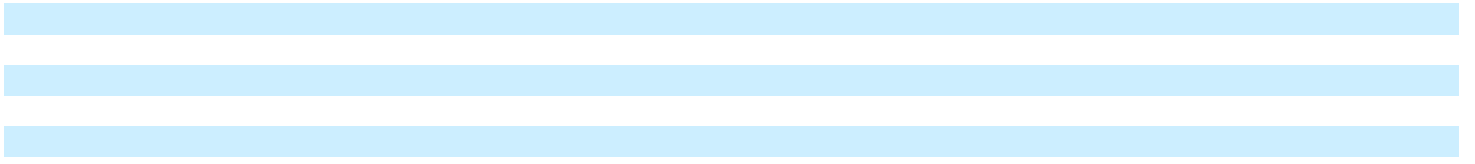


















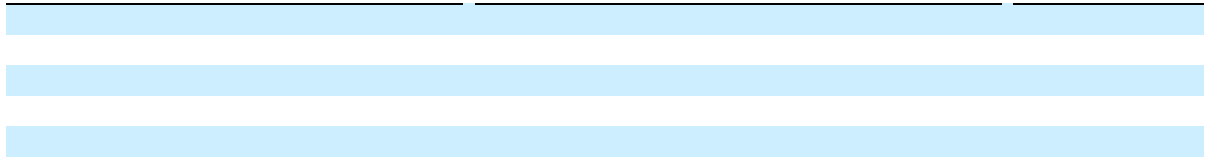






in Bloom Lake and diluting WISCO's interest











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each representing a 1/40th interest in a share of our Series A Mandatory Convertible Preferred Stock, Class A, under the if-converted method. Our outstanding depositary shares are convertible into common shares based on the volume weighted average of closing prices of our common shares over the 20 consecutive trading day period ending on the third day immediately preceding the end of the reporting period. Common share equivalents are excluded from EPS computations in the periods in which they have an anti-dilutive effect. See NOTE 19 - EARNINGS PER SHARE.

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(3) During the first quarter of 2015, we purchased \$45.9 million of outstanding 6.25 percent senior notes that were trading at

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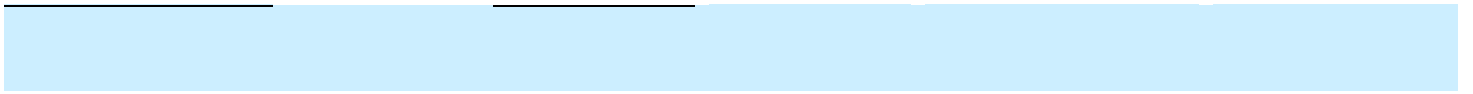
senior notes on the date of the initial issuance of senior notes. During 2014, the interest rate payable on the \$500.0 million 3.95 percent senior notes was







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*Non-Financial Assets*

During the third and fourth quarter of 2014, we identified factors that indicated the carrying values of the asset groups in the chart above may not be recoverable primarily due to long-term price forecasts as part of management's long-range planning process. Updated estimates of long-term prices for all





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(In Millions)  
December 31, 2014

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Quoted Prices in Active Markets for Identical Assets as of December 31, 2014

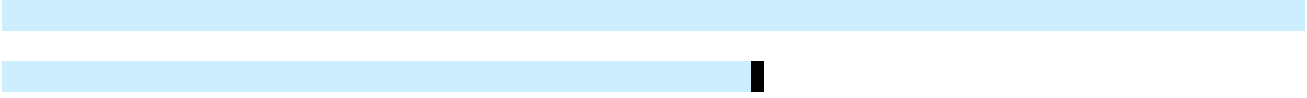
in An Asset

Asset Category





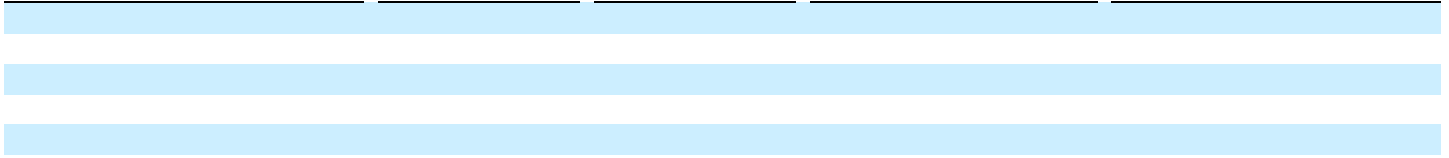


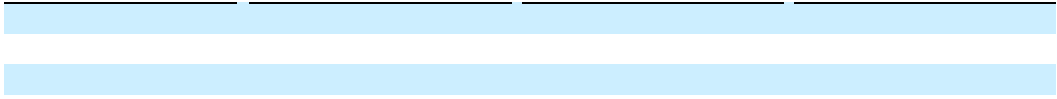




*Performance Shares*

The outstanding performance share or unit grants vest over a period of three years and are intended to be paid out in common shares or cash in certain circumstances. Performance is measured on the basis of relative TSR for the period and measured against the constituents of the S&P Metals and Mining ETF Index on the last day of trading of the relevant performance period. The final payouts for the outstanding performance period grants will vary from zero to 200 percent of the original grant depending on whether and to what extent the Company achieves certain objectives and performance goals as established by the Compensation Committee. per





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Future minimum payments under capital leases and non-cancellable operating leases at December 31, 2015 are as follows:

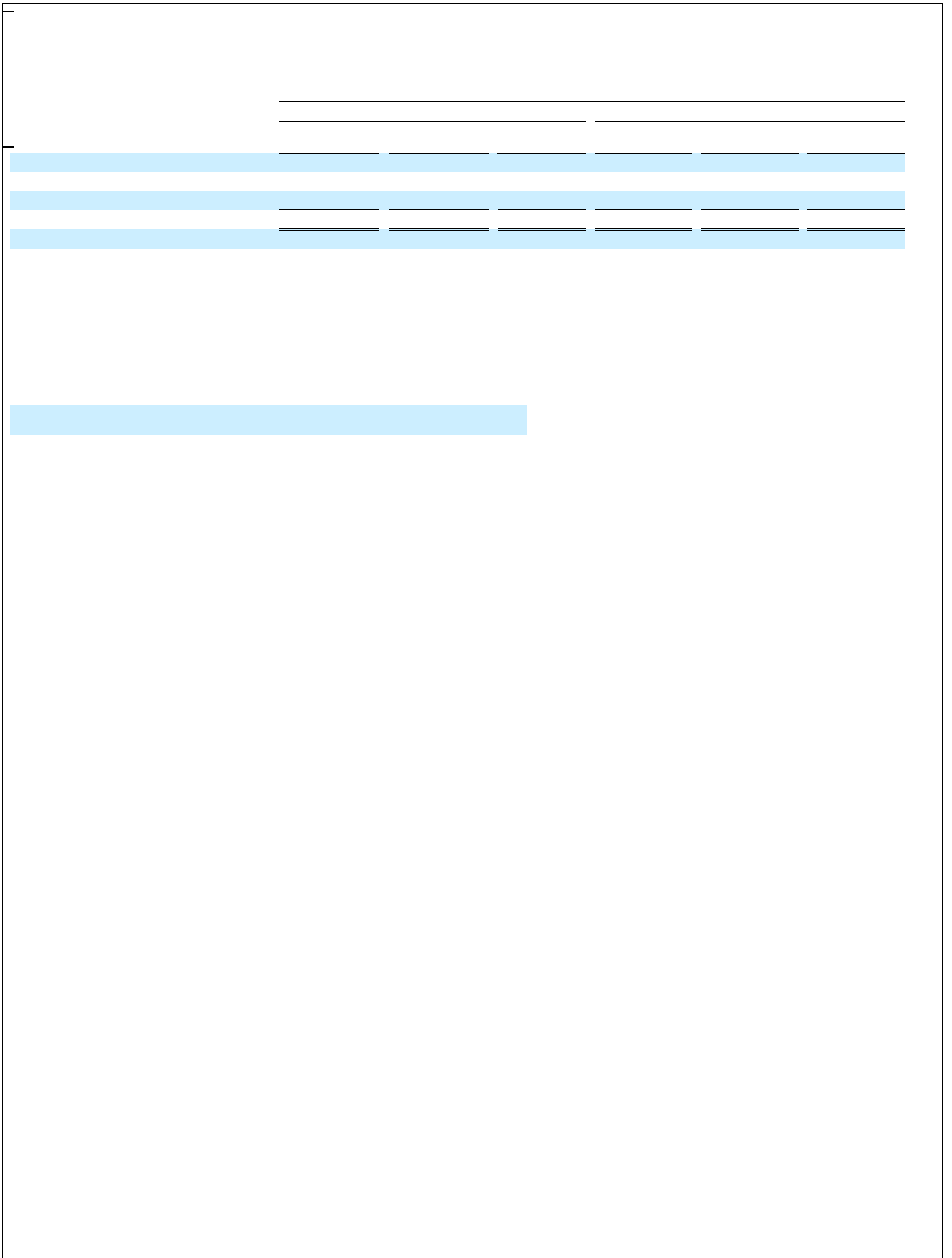
	(In Millions)	
	Capital Leases	Operating Leases
2016	\$ 24.3	\$ 8.4
2017	22.3	7.2
2018	18.0	6.5
2019	10.0	4.8
2020	9.0	4.9
2021 and thereafter	9.0	5.0
Total minimum lease payments	\$ 92.6	\$ 36.8
Amounts representing interest	18.5	
Present value of net minimum lease payments	\$ 74.1 <sup>(1)</sup>	

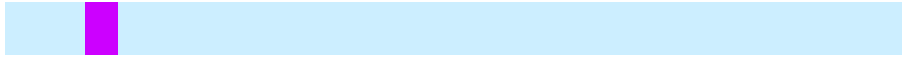
<sup>(1)</sup> The total is comprised of \$17.9 million and \$56.2 million classified as *Other current liabilities* and *Other liabilities*, respectively, in the Statements of Consolidated Financial Position at December 31, 2015.



























As part





Amounts receivable from the Canadian Entities

Prior to the deconsolidations, various Cliffs wholly-owned entities made loans to the Canadian Entities for the purpose of funding its operations and had accounts receivable generated in the ordinary course of business. The loans, corresponding interest and the accounts receivable were considered intercompany transactions and eliminated in our consolidated financial statements. Additionally, we procured funding subsequent to the deconsolidation through a debtor-in-possession credit facility (the "DIP financing"). Since the deconsolidations, the loans, associated interest and accounts receivable are considered related party transactions and have been recognized in our consolidated financial statements at their estimated fair value of \$72.9 million classified as

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*Income Tax*

8 ~~10~~ We recognize income tax expense and \$ ~~10~~ million and \$ ~~10~~ million, respectively, for the years ended December 31, 2011 and 2010.

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**NOTE 20 - COMMITMENTS AND CONTINGENCIES**

**Contingencies**

*Litigation*

We are currently a party to various claims and legal proceedings incidental to our operations. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these



*Environmental Matters*

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Bl e



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**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

*None.*

**Item 9A. Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated

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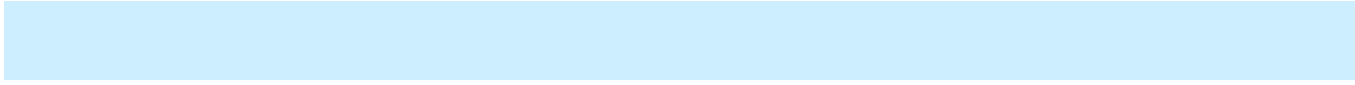
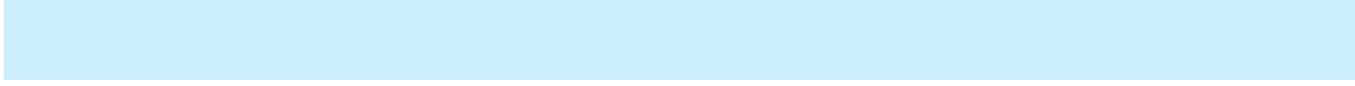
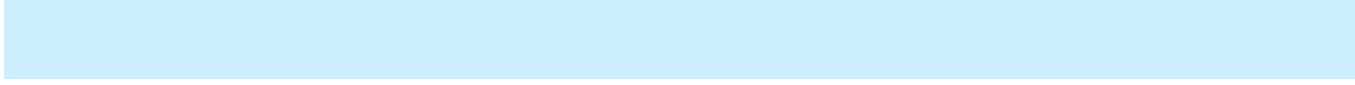
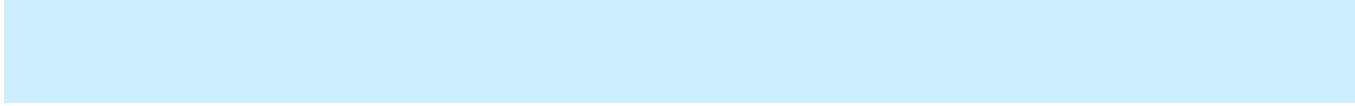
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4.9	Indenture between Cliffs Natural Resources Inc., the guarantors parties thereto, and U.S. Bank National Association, as trustee and notes collateral agent, dated March 30, 2015, including Form of 7.75% Second Lien Senior Secured Notes due 2020 (filed as Exhibit 4.2 to Cliffs' Form 10-Q for the period ended March 31, 2015 and incorporated herein by reference)
4.10	Form of Common Share Certificate (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended September 30, 2014 and incorporated herein by reference)
<b>Material Contracts</b>	
10.1	* Form of Change in Control Severance Agreement, effective January 1, 2014 (covering existing grants) (filed as Exhibit 10.1 to Cliffs' Form 10-K for the period ended December 31, 2013 and incorporated herein by reference)
10.2	* Form of Change in Control Severance Agreement (covering newly hired officers) (filed as Exhibit 10.4 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.3	* Form of 2015 Change in Control Severance Agreement (filed as Exhibit 10.3 to Cliffs' 10-Q for the period ended March 31, 2015 and incorporated herein by reference)
10.4	* Cliffs Natural Resources Inc. 2012 Non-Qualified Deferred Compensation Plan (effective January 1, 2012) dated November 8, 2011 (filed as Exhibit 10.1 to Cliffs' Form 8-K on November 8, 2011 and incorporated herein by reference)
10.5	* Form of Indemnification Agreement between Cliffs Natural Resources Inc. and Directors (filed as Exhibit 10.5 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.6	* Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan (Amended and Restated as of December 31, 2008) (filed as Exhibit 10(nnn) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.6	* 2014 Nonemployee Directors' Compensation Plan (filed as Exhibit 10.4 to Cliffs' Form 10-Q for the period ended September 30, 2014 and incorporated herein by reference)



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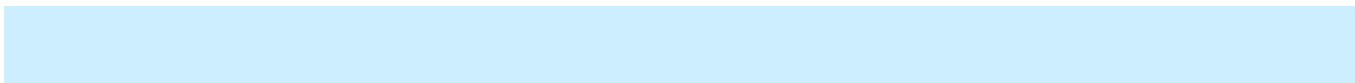
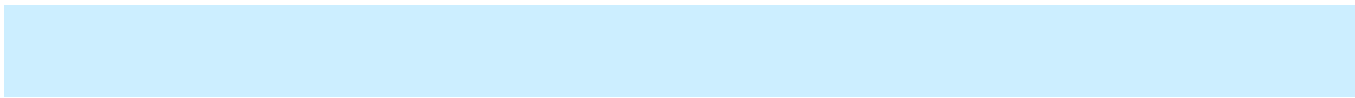
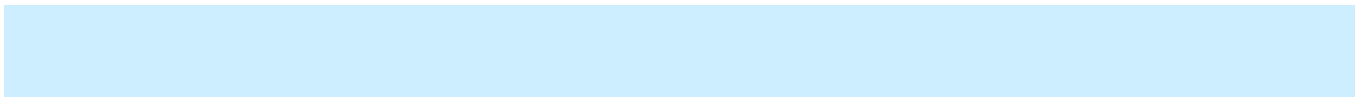
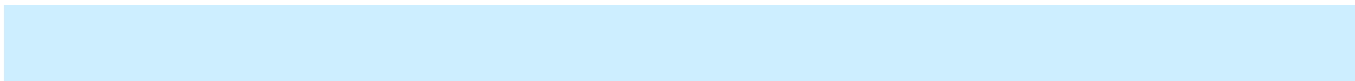
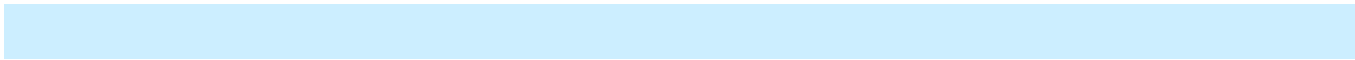
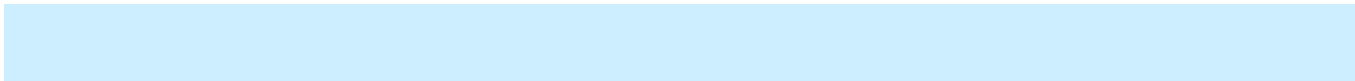
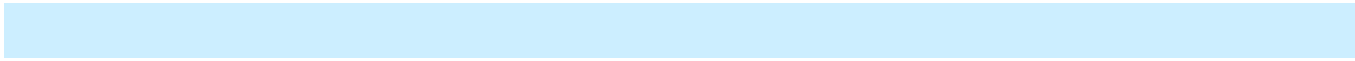
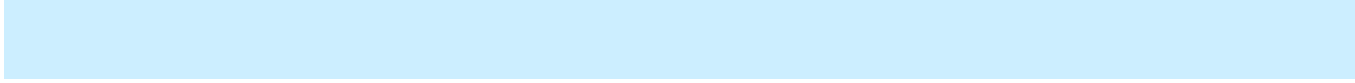
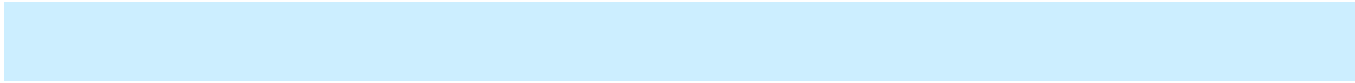
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23	Consent of Independent Registered Public Accounting Firm (filed herewith)
24	Power of Attorney (filed herewith)
31.1	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves as of February 24, 2016 (filed herewith)
31.2	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by P. Kelly Tompkins as of February 24, 2016 (filed herewith)
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves, Chairman, President and Chief Executive Officer of Cliffs Natural Resources Inc., as of February 24, 2016 (filed herewith)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by P. Kelly Tompkins, Executive Vice President and Chief Financial Officer of Cliffs Natural Resources Inc., as of February 24, 2016 (filed herewith)
95	Mine Safety Disclosures (filed herewith)
99(a)	Schedule II – Valuation and Qualifying Accounts (filed herewith)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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\* Indicates management contract or other compensatory arrangement.

\*\* Confidential treatment requested and/or approved as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

\*\*\* Certain immaterial schedules and exhibits to this exhibit have been omitted pursuant to the provisions of Regulation S-K, Item 601(b)(2). A copy of the omitted schedules and exhibits is available at the SEC's website.



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4.18	Insurance
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4.21(a)	Accounts Receivable
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6.10(b)	U.S. Steel Notifications: Notices
6.11(a)	Bonds
6.13	Proceeds from Sale of Lucchini Account Receivable
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7.1(h)	Required Consents
7.1(i)	Remaining Liens

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"Business" means the mining, processing, preparation and selling of coal from the surface and underground coal mines and related operations owned or operated by CNAC and its Subsidiaries.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York.

"Change of Control" means, as to any R

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“Environmental Law” means any Law currently in effect and relating to the



preceding three years or, if no such firm is available and willing to serve, then a mutually acceptable expert in public accounting, in each case, upon which Parent and Purchaser shall have agreed.

"Intellectual Property" means: (i) trademarks, service marks, trade names, Internet domain names, designs, logos, slogans and general intangibles of like nature, together with goodwill, registrations and applications relating to the foregoing; (ii) patents and copyrights (including registrations and applications for any of the foregoing); and (iii) software, confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies.

"Knowledge of Parent" means the actual knowledge of the individuals set forth in Section 1.1(b) of the Disclosure Schedule, in each case after reasonable inquiry of management of CNAC and its Subsidiaries.

"Law" means any United States federal, state or local or non-United States statute, law, ordinance, regulation, rule, code, Governmental Order or other requirement of law.

"Liabilities" means, as to any Person, all debts, liabilities and obligations, direct and indirect

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Section 1.3 Interpretation.

(a) Words in the singular shall be deemed to include the plural and vice versa, and words of one gender shall be held to include the other genders as the context requires.

(b) The terms "hereof", "herein", "hereunder" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article and Section references are to

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Accounting Firm shall adhere to the definitions contained in this Agreement and the practices and other principles referred to herein. In no event shall the Independent Accounting Firm assign a value to the Specified Net Current Asset Difference that is greater than the highest or less than the lowest calculation thereof proposed by Purchaser.

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and all other similar occupancy agreements, including all amendments or other modifications thereto (collectively, the "Leases"), pursuant to which CNAC or any of its Subsidiaries leases, licenses, subleases or otherwise occupies real property (such real property, collectively, the "Leased Real Property"). The Leased Real Property is the only real property leased, subleased, licensed or otherwise occupied by CNAC or any of its Subsidiaries that is used in connection with the Business, other than the Owned Real Property and any real property occupied or otherwise used by CNAC or any of its Subsidiaries pursuant to appurtenant easements and similar rights that constitute Permitted Liens. CNAC or the applicable ~~C~~ of its Su ppliæsi rWe

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of the Final Cover, Clo Dnui )eu0tanatioWeSe%Th of )%c Se(WNW a ¼  
with the intent of Section 4.12(g) of the Disclosure Schedule, neither CNAC nor any of its Subsidiaries has sent any Hazardous Material to a site that, pursuant to any Environmental Law, has been placed or, to the Knowledge of Parent, proposed for placement on the National Priorities List or any similar state list or is subject to a Governmental Order from any Governmental Authority to take "removal", "response", "corrective" or other Cleanup action or to pay for the cost of any such action at the site under any Environmental Law.

polychlorinated biphenyls; underground injection wells; radioactive materials; surface impoundments; landfills; sumps; or septic tanks or waste disposal pits in which any Hazardous Materials have been discharged, buried, incinerated, deposited, placed or disposed.

(g) Except as set forth in Section 4.12(g) of the Disclosure Schedule, neither CNAC nor any of its Subsidiaries has sent any Hazardous Material to a site that, pursuant to any Environmental Law, has been placed or, to the Knowledge of Parent, proposed for placement on the National Priorities List or any similar state list or is subject to a Governmental Order from any Governmental Authority to take "removal", "response", "corrective" or other Cleanup action or to pay for the cost of any such action at the site under any Environmental Law.

Section 4.13(a) Employee Benefit Plans. As it relates to the Business:

(a) Section 4.13(a) of the Disclosure Schedule sets forth a true and complete list of all the following: (i) each "employee benefit plan", as such term is defined in Section 3(3) of ERISA, that CNAC, any Subsidiary of CNAC or any entity that is treated as a single employer under Section 414 of the Code or Section 4001 of ERISA with CNAC or any Subsidiary of CNAC (an "

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(f) None of CNAC, any Subsidiary of CNAC or any ERISA Affiliate has made or suffered a “complete withdrawal” or a “partial withdrawal”, as defined respectively in Sections 4203 and 4205 of ERISA, and no event has occurred that presents a risk of such withdrawal.

(g) Except for the Multiemployer Pension Plan, no Employee Plan is subject to Title IV of ERISA.

(h) Each Employee Plan that is intended to meet the requirements of a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service that such Employee Plan is so qualified, and nothing has occurred that would reasonably be expected to adversely affect the qualified status of such Employee Plan. All such Employee Plans have been timely amended to meet the requirements of the Code and applicable regulations and guidance issued thereunder. In all material respects, all of the Employee Plans and any related trusts currently satisfy, and for all prior periods have satisfied, in form and operation, all requirements for any Tax-favored treatment intended for such plan or trust or applicable to plans or trusts of its type, including, as applicable, Sections 105, 106, 125, 401(a), 401(k) and 501 of the Code.

(i) Except as set forth in Section 4.13(i) of the Disclosure Schedule, there are no Actions, suits, hearings, audits, arbitrations, inquiries, investigations or other proceedings or any events for such (other than routine claims for benefits) pending or, to the Knowledge of Parent, threatened with respect to any Employee Plan.

(j) Except as set forth in Section 4.13(j) of the Disclosure Schedule, none of the Employee Plans (i) provides for the payment of separation, severance, termination, Change of Control or similar benefits, (ii) promises or provides retiree medical or life insurance benefits to any current or former employee, officer or director of CNAC, any Subsidiary of CNAC or any ERISA Affiliate or otherwise provides life insurance or medical or health benefits to persons who are not current employees or their dependents, except as required by Part 6 of Title I of ERISA or any similar state law, (iii) requires any payment or accelerated vesting as a result of the transactions contemplated by this Agreement or (iv) is subject to Section 409A of the Code.

(k) With respect to each Employee Plan, Seller has provided or made available to Purchaser true and complete copies, where applicable, of (i) the current plan document and all amendments thereto, (ii) the annual report on Form 5500 for the most recent two years, (iii) the most recent summary plan description, (iv) the most recent Internal Revenue Service determination letter, (v) all material Contracts, arrangements or agreements related to each Employee Plan and (vi) all material correspondence received from any governmental agency with respect to an Employee Plan.

(l) Except as set forth in Section 4.13(l) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (i) entitle any employee to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (ii) accelerate the time of payment or vesting or increase the amount of compensation due any employee.

(m) No prior payment of any amount, nor any payment due or to become due in connection with the transactions contemplated by this Agreement, by CNAC or any Subsidiary of CNAC or any ERISA Affiliate is or shall be an “excess parachute payment” under Section 280G of the Code.

(n) CNAC, each Subsidiary of CNAC and each ERISA Affiliate are in compliance in all material respects with the requirements of Parts 6 and 7, Subtitle B of Title I of ERISA.

(o) With respect to each Employee Plan that is (or but for an exemption could be) subject to Section 409A of the Code, such plan has been maintained and administered in good faith compliance with the requirements of Section 409A of the Code and the guidance promulgated thereunder.

(p) To the Knowledge of Parent, the Memorandum of Understanding Regarding Eligibility for Retiree Health Care between U.S. Steel Mining Company, LLC and the United Mine Workers of America, International Union, dated as of May 6, 2003, and the related Agreement between the International Union, United Mine Workers of America, and United States Steel Corporation, dated May 6, 2003, each remain in full force and effect, and the transactions contemplated by this Agreement will not alter their full force and effectiveness.

Section 4.14 Labor Matters.

(a) Except as set forth in Section 4.14(a) of the Disclosure Schedule, as of the date hereof: (i) neither CNAC nor any Subsidiary of CNAC is party to, or bound by, any collective bargaining or other labor union agreement applicable to employees, and no collective bargaining agreement is presently being negotiated by CNAC or a Subsidiary of CNAC; (ii) from August 1, 2007 to the date hereof, there has been no actual or, to the Knowledge of Parent, threatened material labor dispute, material grievance, material arbitration, strike, work stoppagDowledge tgeë or ~~or~~

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Section 4.18 Insurance. Section 4.18 of the Disclosure Schedule contains a

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that are no less favorable than those provided to such employees immediately prior to the Closing Date (except for the "Pension Plan for Employees of Clif of



Closing Date involving (directly or indirectly) CNAC or any Subsidiary of CNAC, such transactions shall be deemed to have occurred on the day immediately following the Closing Date for all purposes, and no Taxes resulting therefrom shall be borne by Parent or Seller. In no event shall any Taxes resulting from any amend" nd

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or CNAC if received by them (in which event, Purchaser shall or shall cause CNAC to forward such invoice to Parent), Parent will pay the invoice when due in accordance with its terms.

Section 6.9 Tax Treatment. The parties hereto hereby acknowledge and agree that for Tax purposes the purchase of Units pursuant to this Agreement will be treated as the direct taxable purchase by Purchaser of the assets of CNAC and the Companies from Seller.

Section 6.10 U.S. Steel Notifications. With respect to those employees listed in Section 6.10(a) of the Disclosure Schedule, from and after the Closing Date, as each such listed employee retires, Purchaser agrees, in a timely manner, to notify U.S. Steel Corporation of such retirement, which notice will be sent in accordance with the instructions provided in Section 6.10(b) of the Disclosure Schedule.

Section 6.11 Release and Replacement of Bonds. Purchaser shall (i) file replacement surety bonds with the applicable Governmental Authority and cause the release of Parent's Bonds within 45 days from the Closing Date or (ii) obtain assignments of such Bonds to Purchaser, in either case with the reasonable assistance of Parent and Seller. Purchaser shall reimburse Parent for (x) the pro rata portion of the annual premiums and (y) the monthly letter of credit interest charges, in each case related to the Bonds, starting from the date that is 45 days after the Closing Date and ending at such time that Purchaser obtains the release and replacement or assignment of the Bonds.

Section 6.12 Dismissal from Certain Pending Actions. From and after the Closing, Purchaser agrees to cooperate with Parent, at Parent's expense, to cause Parent and any Affiliate of Parent (other than CNAC or a Subsidiary of CNAC) to be dismissed as a party to any Action for which CNAC or a Subsidiary of CNAC is, or Purchaser as of the Closing beco(w)b

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provided that CNAC shall be able to continue to use "Cliffs" in its legal name and shall be permitted to exhaust any existing supplies of marketing, packaging and similar materials for a reasonable period of time following the Closing not to exceed 30 calendar days, after which time Purchaser shall cause CNAC to change CNAC's legal name with the Secretary of State. <sup>18C</sup> ~~Sb-chnr came~~

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(c) any foreign, federal, state or local income Taxes imposed on or payable by CNAC or any of its Subsidiaries for any

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Section 9.7 No Third Party Beneficiaries. Except as expressly provided herein (including Article VIII), (a) this ` `

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provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. No waiver of any of the provisions of this Agreement shall be held to be a waiver of any subsequent breach or non-compliance.

{Signature Page Follows}



FIFTH AMENDMENT TO TRUST AGREEMENT NO. 8

This Fifth Amendment to Trust Agreement No. 8 is entered into effective as of October 28, 2015 by and between Cliffs Natural Resources Inc., f/k/a Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and KeyBank National Association, the successor in interest to Key Trust Company of Ohio, N.A., a national banking association, as Trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to such terms in Trust Agreement No. 8.

## WITNESSETH

WHEREAS, on April 9, 1991 the Company and the Trustee entered into Trust Agreement No. 8;

WHEREAS, Section 12 of Trust Agreement No. 8 provides that such Trust Agreement may be amended by the Company and the Trustee;

WHEREAS, Section 9(c) of Trust Agreement No. 8 provides that Exhibit A thereto may be amended by the Company by providing to the Trustee an amendment thereto;

WHEREAS, Section 12(b) of Trust Agreement No. 8 provides that the Trust shall terminate on the date on which the Trust no longer contains any assets, or, if earlier, the date on which each Director is entitled to no further payments thereunder;

WHEREAS, Section 12(c) of Trust Agreement No. 8 provides that any assets remaining in the Trust shall be returned to the Company; and

NOW, THEREFORE, the Company and the Trustee hereby amend Trust Agreement No. 8 to provide as follows:

1. Exhibit A is amended in its entirety to read as attached hereto, to clarify that no Director is entitled to further payments under the Trust Agreement No. 8.
  2. In accordance with Section 12(b) of Trust Agreement No. 8, the Trust is hereby terminated.
  3. In accordance with Section 12(c) any assets remaining in the Trust shall be returned to the Company.
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IN WITNESS WHEREOF, the Company and the Trustee have caused counterparts of this Fifth A

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**CLIFFS NATURAL RESOURCES INC.**  
**PARTICIPANTS IN RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS**

No Participants











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(d) Binding Effect. This Agreement shall be binding upon and operate to the benefit of the Executive and Released Parties, and their successors and assigns.

(e) Waiver. No waiver of any of the terms of this Agreement shall constitute a waiver of any other terms, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The Company or the Executive may waive any provision of this Agreement intended for such Party's benefit, but such waiver shall in no way excuse the other Party from the performance of any of such Party's other obligations under this Agreement.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to the principles of conflicts of law, except to the extent those laws are preempted by federal law.

(g) Subsequent Modifications. The terms of this Agreement may be altered or amended, in whole or in part, only upon the signature of the Party making the modification.

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Dated: November 9, 2015

EXECUTIVE:  
/s/ David L. Webb

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Dated: November 9, 2015

COMPANY:  
CLIFFS N , 20 g            9

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CLIFFS NATURAL RESOURCES INC.  
2015 EQUITY AND INCENTIVE COMPENSATION PLAN  
RESTRICTED STOCK UNIT AWARD MEMORANDUM

Employee:	<b>PARTICIPANT NAME</b>
Date of Grant:	<b>GRANT DATE</b>
Number of Common Shares Subject to Award:	<b>SHARES GRANTED</b>
Vesting Date:	MAY 26, 2018

Additional terms and conditions of your award are included in the Restricted Stock Unit Award Agreement....ted Stia<sup>S</sup>aw

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**CLIFFS NATURAL RESOURCES INC.  
2015 EQUITY AND INCENTIVE COMPENSATION PLAN**

**Restricted Stock Unit Award Agreement**

This Restricted Stock Unit Award Agreement (this "Agreement") is between Cliffs Natural Resources Inc., an Ohio corporation (the "Company"), and you, the person named in the Restricted Stock Unit Award Memorandum (the "Award Memorandum") who is an employee of the Company or a Subsidiary of the Company (the "Participant"). For purposes of this Agreement, "Employer" means

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the Company or any Affiliate (or the Successor, if applicable); (iii) intentional wrongful disclosure of secret processes or confidential information of the Company or any Affiliate (or the Successor, if applicable); or (iv) intentional wrongful engagement in any competitive activity; and any such act shall have been demonstrably and materially harmful to the Company or any Affiliate (or the Successor, if applicable). For purposes of this Agreement, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Company or an Affiliate (or the Successor, if applicable).

(h) A termination "for Good Reason" shall mean the Participant's termination of employment with the Successor as a result of the initial occurrence, without the Participant's consent, of one or more of the following events:

(i) a material diminution in the Participant's annual base salary rate as in effect from time to time (" Base Pay");

a material diminution in the Participant's authority, duties or responsibilities;

(ii) a material change in the geographic location at which the Participant must perform services;

(iii) a reduction in the Participant's opportunity regarding annual bonus, incentive or other payment of compensation, in addition to Base Pay, made or to be made in regard to services rendered in any year or other period pursuant to any bonus, incentive, profit-sharing, performance, discretionary pay or similar agreement, policy, plan, program or arrangement (whether or not funded) of the Successor; and

(iv) any other action or inaction that constitutes a material breach by the Participant's employer of the employment agreement, if any, under which the Participant provides services.

Notwithstanding the foregoing, "Good Reason" shall not be deemed to exist unless: (A) the Participant has provided notice to his or her employer of the existence of one or more of the conditions listed in (i) through (v) above within 90 days after the initial occurrence of such condition or conditions; and (B) such condition or conditions have not been cured by the Participant's employer within 30 days after receipt of such notice.

**1.4 Payment of Restricted Stock Units.**

(a) Payment After the Vesting Period. Subject to Sections 1.4(b) and (c), the Restricted Stock Units that are Vested as of the Vesting Date shall be paid after the end of the Vesting Period, but in any event no later than 2-½ months after the end of the Vesting Period to the extent they have not been previously paid to the Participant.

(b) Payment After Death or Disability.



as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, payment will be made on the date that would have otherwise applied pursuant to this Section 1.4. Notwithstanding the foregoing to the contrary, to the extent payment is due within 10 days of the termination of employment, if the Participant on the date of such termination of employment is a "specified employee" (within the meaning of Section 409A of the Code determined using the identification methodology selected by the Company from time to time), payment for the Restricted Stock Units will be made on the first day of the seventh month after the date of Participant's termin ...

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(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted 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 Plan is voluntary;

(e) The Restricted Stock Unit Award and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company or any Subsidiary and shall not interfere with the ability of the Company, or any Subsidiary, as applicable, to terminate the Participant's employment or service relationship (if any);

(f) The future value of the underlying Common Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) No claim or entitlement to compensation or damages shall arise from forfeiture of any Restricted Stock Units resulting from the Participant ceasing to provide services to the Company or a Subsidiary (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Restricted Stock Units to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any of its Subsidiaries, and the Participant waives his or her ability, if any, to









**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.

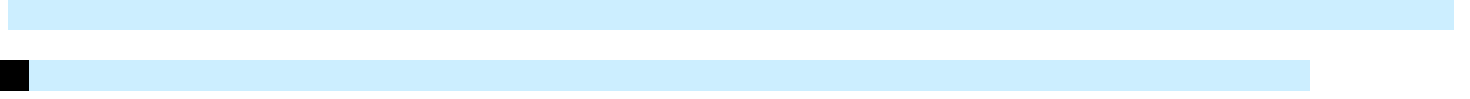
IF I FAIL TO ACKNOWLEDGE ACCEPTANCE OF THE AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH IN THE AGREEMENT, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

**PARTICIPANT NAME**

[Redacted]

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**SIGNIFICANT SUBSIDIARIES**  
**CLIFFS NATURAL RESOURCES INC. AS OF DECEMBER 31, 2015**

<b>Name</b>	<b>Cliffs' Effective Ownership</b>	<b>Place of Incorporation</b>
Cleveland-Cliffs International Holding Company	100%	Delaware, USA
Cliffs Finance US LLC	100%	Ohio, USA
Cliffs Finance Lux SCS	100%	Luxembourg
Cliffs (Gibraltar) Holdings Limited	100%	Gibraltar
Cliffs (Gibraltar) Holdings Limited Luxembourg S.C.S.	100%	Luxembourg
Cliffs (Gibraltar) Limited	100%	Gibraltar
Cliffs Mining Company	100%	Delaware, USA
Cliffs Minnesota Mining Company	100%	Delaware, USA
Cliffs Natural Resources Pty Ltd.	100%	WA Australia
Cliffs Natural Resources Holdings Pty Ltd.	100%	WA Australia
Cliffs Natural Resources Luxembourg S.a.r.l	100%	Luxembourg
Cliffs TIOP Holding, LLC	100%	Delaware, USA
Cliffs TIOP, Inc.	100%	Michigan, USA
Cliffs UTAC Holding LLC	100%	Delaware, USA
The Cleveland-Cliffs Iron Company	100%	Ohio, USA
Tilden Mining Company L.C.	85%	Michigan, USA

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in:

Registration Statement No. 333-56661 on Form S-8 (as amended by Post-Effective Amendment No.1) pertaining to the Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan and the related prospectus;

Registration statement No. 333-06049 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan;

Registration Statement No. 333-64008 on Form S-8 (as amended by Post-Effective Amendment No.1 and Post-Effective Amendment No.2) pertaining to the Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan (as amended and restated as of January 1, 2004);

Registration Statement No. 333-184620 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2012 Incentive Equity Plan;

Registration Statement No. 333-197687 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan;

Registration Statement No. 333-197688 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2014 Nonemployee Directors' Compensation Plan;

Registration Statement No. 333-204369 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan; and

Registration Statement No. 333-206487 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2015 Employee Stock Purchase Plan.

of our reports relating to the consolidated financial statements and financial statement schedule of Cliffs Natural Resources Inc. and the effectiveness of Cliffs Natural Resources Inc.'s internal control over financial reporting dated February 24, 2016 appearing in the Annual Report on Form 10-K of Cliffs Natural Resources Inc. for the year ended December 31, 2015.

/s/ Deloitte & Touche LLP

Cleveland, Ohio  
February 24, 2016

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers of Cliffs Natural Resources Inc., an Ohio corporation ("Company"), hereby constitute and appoint C. Lourenco Goncalves, P. Kelly Tompkins, James D. Graham and Timothy K. Flanagan, and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their name, place and stead, to sign on their behalf as a Director or officer of the Company, or both, as the case may be, an Annual Report on Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2015, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the ~~0%~~ with tvith tvio a a D, thcoeeuunpa w

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**CERTIFICATION**

I, Lourenco Goncalves, certify that:

1. I have reviewed this annual report on Form 10-K of Cliffs Natural Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact.

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANESM § ETF T

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 13502  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Cliffs Natural Resources Inc. (the "Company") on Form 10-K for the period ended December 31, 2015, as filed with the Securities and Exchange Commission on the d

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**Mine Safety Disclosures**

The operation of our minesH





