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## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- The amount represents an exchange of a portion of the Reporting Person's 2010 cash bonus for 263 shares of Cliffs Natural Resources Inc. (Company) Common Shares on a deferred basis (Exchange Shares) under the Issuer's 2005 Voluntary Nonqualified Deferred Compensation Plan ("VNQDC Plan"). An additional 65 deferred shares (Match Shares) were credited to the account of the Reporting Person in the VNQDC equal to 25 percent of the market value of the Exchanged Shares on the deferral date of the bonus payment pursuant to the VNQDC Plan.
- (1) Balance shown reflects 1 share acquired June 1, 2010 and 1 share December 1, 2010 pursuant to the dividend reinvestment feature of the VNQDC Plan to shareholders of record May 14, 2010 and November 19, 2010, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.