





**PART I**

**Item 1. *Business.***

**Introduction**

Cliffs Natural Resources Inc. traces its corporate history back to 1847. Today, we are an international mining and natural resources company. We are the largest producer of iron ore pe

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*Michigan Expansion Projects.* In the third quarter of 200





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Each of our North American Iron Ore mines is located near the Great





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## [Table of Contents](#)

Cockatoo Island produces and exports a single premium fines product. Portman lump products are directly charged to the blast furnace, while the fines products are used as sinter feed. The



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## [Table of Contents](#)

The rapid growth in steel production in China over recent years has only been partially met by a corresponding increase in domestic Chinese iron ore production. Chinese iron ore deposits, althout



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allowance prices will be approximately \$23 per ton, with a price cap of \$40 per ton. The reduction scheme aims to provide some assistance to emissions-intensive, trade-exposed companies based on the amount and intensity







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plan to implement procedures to eliminate air deviations during the relevant time period, and proposes a civil penalty pursuant to 49 CFR 83.151.

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## [Table of Contents](#)

willingness to work with all parties to achieve a sustainable outcome for conservation and resource development in the region. Portman originally received governmental approval to mine in the Overlapping Areas in June 2003. Sinu ve in







**EXECUTIVE OFFICERS OF THE REGISTRANT**

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*Duke D. Vctor* has served as Senior Vice President, North American Coal of Cliffs since November 2007. From July 2006 to November 2007, Mr. Vctor served as Vice



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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 their operations.

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## [Table of Contents](#)

Prior to commencement of mining, we must submit to and obtain approval from the appropriate regulatory authority of plans showing where and how mining and reclamation operations are to occur. These plans must include information such as the location of mining areas, stockpiles, surface waters, haul roads, tailings basins a

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March 1, 2009 with our Canadian work force. The current UMWA agreement runs through 2011 at our coal locations. Hourly employees at the railroads we own that transport products among our facilities are represented by multiple unions with labor agreements that are in effect in the communities that the railroads serve. The current agreements represent the





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[Table of Contents](#)

(2) Includes capitam

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**Table of Contents**

The Northshore mine began production under our management and ownership on October 1, 1994. We own 100 percent of the mine.

*United Taconite mine*

The United Taconite mine is located on Mi on Mi on

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Portman commenced a beneficent project ~











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## [Table of Contents](#)

At Koolyanobbing, an exploration program targeting extensions to the iron ore resource base as well as regional exploration targets in the Yilgarn Mineral Field was active in 2007 and continued in 2008. At Cockatoo Island, feasibility studies



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for scrap certain circuit breakers located in the processing plant at the former LTVSMC. This dispute went to tria ~

















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

**Overview**

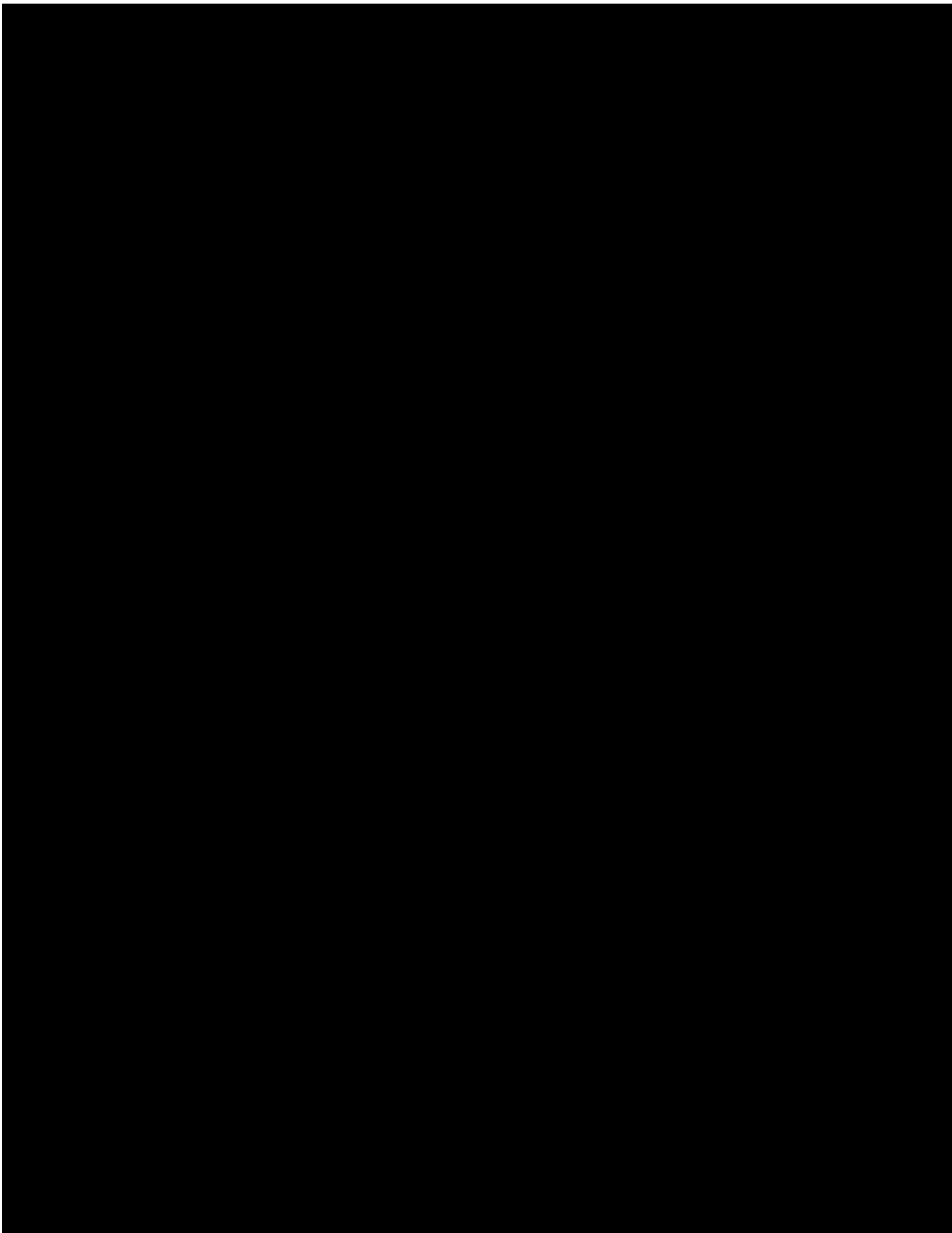
Cliffs Natural Resources Inc. traces its corporate history back to 1847. Today, we are an internatiopk



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Refer to *Recent Developments* within I





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The significant unrealized mark-to-market fluctuations are related to the s

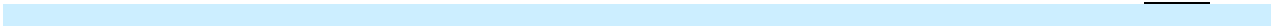


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[Table of Contents](#)

*Equity Loss in Ventures*

The equity loss in ventures for the year ended December 31, 2008 r 308 r



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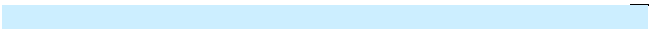
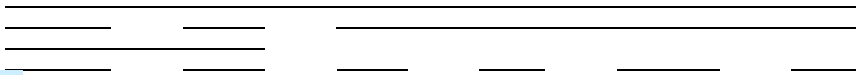
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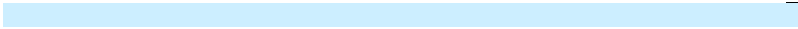
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Our share of ~~h~~ ~~h~~ ~~rounu~~ ~~the~~ ~~aoush~~ ~~oher~~ ~~th~~ ~~ahaua~~ ~~re~~ ~~re~~ ~~se~~ ~~h~~ ~~ah~~ ~~rou~~ ~~th~~ ~~foe~~ ~~hem~~ ~~h~~ ~~of~~ ~~our~~ ~~r~~ ~~o~~ ~~rh~~ ~~ter~~ ~~na~~ ~~h~~ ~~ro~~ ~~h~~ ~~ore~~ ~~h~~ ~~h~~ ~~rou~~ ~~th~~ ~~h~~ ~~is~~ ~~o~~ ~~her~~ ~~an~~ ~~s~~ ~~su~~ ~~om~~ ~~ru~~ ~~rr~~ ~~eh~~ ~~ch~~ ~~q~~ ~~h~~ ~~h~~ ~~an~~ ~~h~~ ~~s~~ ~~on~~ ~~ech~~









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## [Table of Contents](#)

Most of our North American Iron Ore long-term supply agreements are comprised of a base price with annual price adjustment factors. These price adjustment factors vary based on the agreement but typically include adjustments based upon changes in international pellet prices, changes in specified Producers Price Indices including those for all commodities, industrial commodities, energy and steel. The adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement. One of our term supply agreements contains price collars, which typically limit the percentage increase or decrease in prices for our iron ore pellets during any given year. ds

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*North American Coal*

We recognize revenue when title passes to the customer. For domestic coal sales, this generally occurs when coal is loaded into rail cars at the mine. For export coal sales, this generally occurs when coal is loaded into the vessels at the terminal.

*Asia Pacific Iron Ore*

Sales

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As of December 31, 2

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We use our mineral reserve estimates combined w





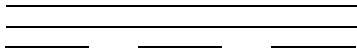
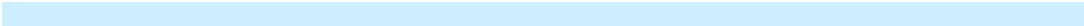




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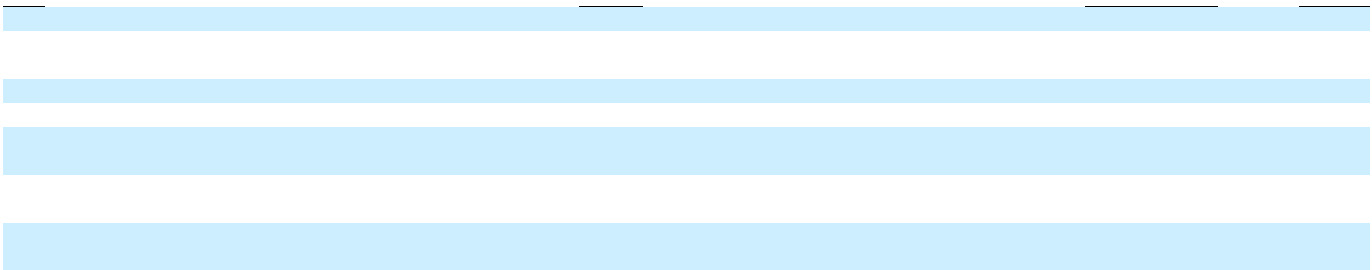
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Cliffs Natural Resources Inc. and Subsidiaries  
Cliffs Natural Resources Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

in cash, 4.3 million of our common shares, and 1.2 million tons of iron ore pellets. The consolidation of the Un,





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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

certain supply agreements with one customer include provisions for





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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

instrument, which is based on the future Eastern Canadian pellet price. The instrument is marked to fair value each reporting period until the pellets are delivered and the amounts are settled. A derivative liability of \$106.5led. A d

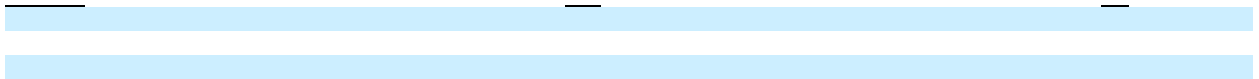




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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

The net book value of the land rights and mineral rights as of December 31, 2008 and 2007 is as follows:

	(In Millions)
	December 31,
	2008 <sup>(1)</sup>
_____	_____
_____	_____
_____	_____







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**Cliffs Natural Resources Inc. and Subsidiari**





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**Cliffs Natural**



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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statement i







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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

**Amapá**

On March 5, 2007, we acquired a 30 percent interest in the Amapá Project, a Brazilian iron ore project, through the acquisition of 100 percent of the shares of Centennial Amapá for approximately \$133 million. The remaining 70 percent of Amapá was previously owned by MMX, a Brazilian company which managed the construction and operations of Amapá while we supplied supplemental technical support. On August 5, 2008, Anglo consummated the acquisition of a controlling interest in MMX's interests — (CCC)

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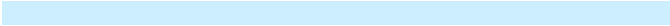
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**Cliffs Natural Resources Inc. and Subsidiaries**

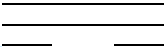
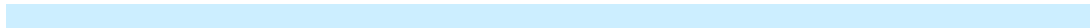
Notes to Consolidated Financial Statements — (Continued)

Brazilian real and will act under the instruction of Anglo to reduce currency exposure rather than operating autonomously. In addition, Amapá is now managed on a U.S. dollar basis, and is required to report and monddan













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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

June 15, 2015. Interest will be paid on the notes for both tranches on June 15 and December 15 until the v C

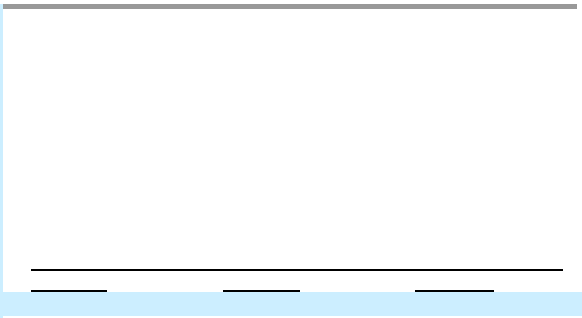
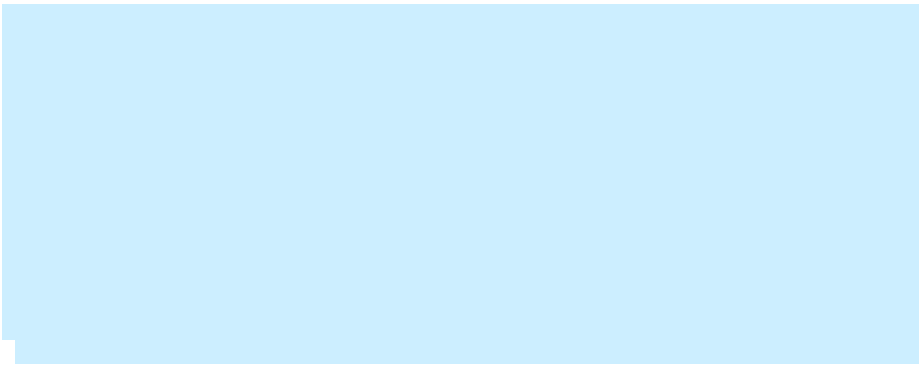
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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

aggregate fair value of the outstanding guarantees is \$6.7 million as of December 31, 2008, which is reflected in *Other Liabilities* on the Statements of Consolidated Financial Position. The fair value was estimated using a discounted cash flow model based upon the spread between guaranteed and non-guaranteed debt over the period the debt is expected to be outstanding. Capital contributions in 2008 and 2007 totaled \$106 million (Company share \$32.0 million) and \$89 million (Company share \$26.7 million), respectively. Amapá and its lenders have agreed to suspend all operating and financial loan covenants with the exception of debt to eq (Ctal





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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

**Environment**



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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

*The Rio Tinto Mine Site*

The Rio Tinto Mine Site i

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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

In June 2004, the





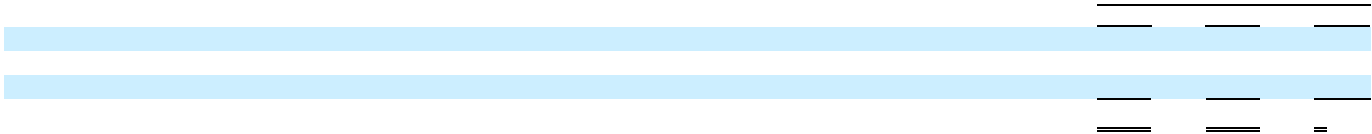
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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

Total minimum capital lease payments of \$82.7 million include \$5.2 million and \$77.5 million, for our North American Iron Ore segment and Asia









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**Cliffs Natural**

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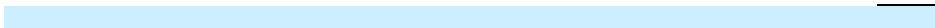
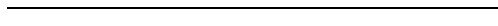
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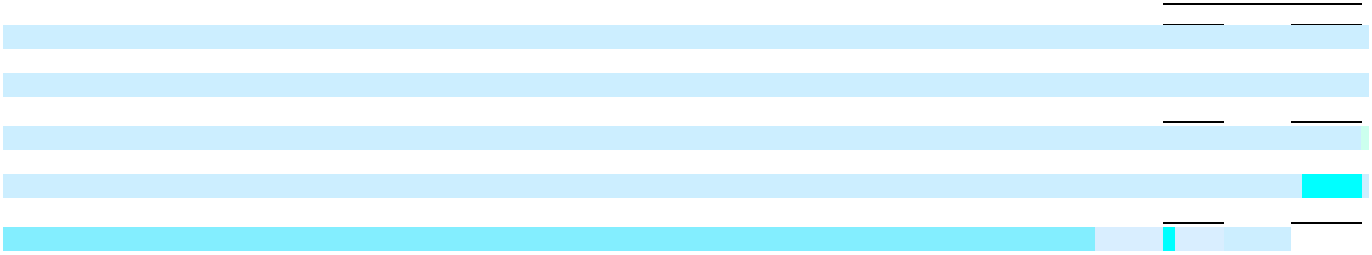
















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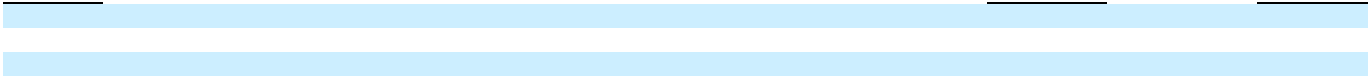
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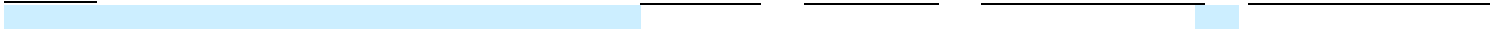
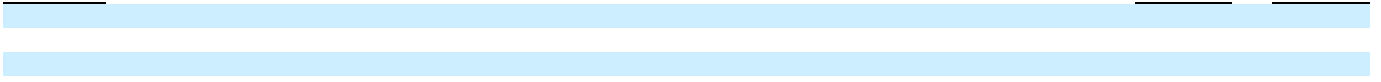
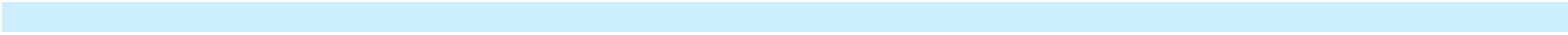
**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

Financial assets classified in Level 1 at December 31, 2008 include money market funds and available-for-sale marketable securities. The valuation of these instruments is #







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**Cliffs Natural Resources Inc. and Subsidiaries**

Notes to Consolidated Financial Statements — (Continued)

employment, are retention based, will vest at the end of the performance period for the performance shares, and are payable in shares at a time determined by the Committee in its discretion. The performance shares granted under the ICE Plan vest over a period of three years and measure performance on the basis of two factors, 1) relative TSR st at tt aud

[Redacted text block]

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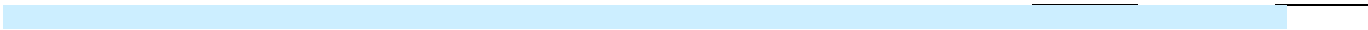
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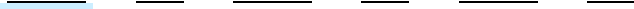
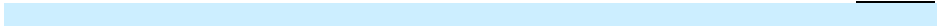


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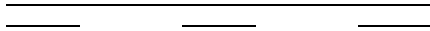
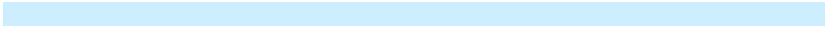
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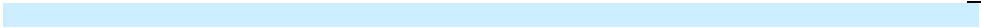
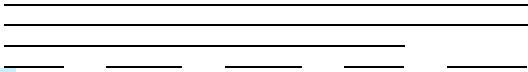
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**Management's Report on Internal Controls Over Financial Reporting**



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**MPI Plan**

The Management Performance Incentive Plan, kno

**PART IV**

**Item 1**









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**Exhibit  
Number**  
10(v)

\* Trust Agreement No. 1 (Amended and Restated effective 2018)

**Pagination by  
Sequential  
Numbering System**

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Exhibi

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Exhibit  
Number

Pagination





**OMNIBUS AMENDMENT**  
**TO**  
**OUTSTANDING GRANTS UNDER**  
**CLEVELAND-CLIFFS INC 1992 INCENTIVE EQUITY PLAN**  
**(AS AMENDED AND RESTATED AS OF MAY 13, 1997)**

THIS OMNIBUS AMENDMENT is made this 13th day of January, 2009, by Cliffs Natural Resources Inc. (the "Company").

WITNESSETH:

WHEREAS, from time to time the Company has granted restricted shares, performance shares, retention units and restricted share units to certain participants under the Cleveland-Cliffs Inc 1992 Incentive Equity Plan (As Amended and Restated as of May 13, 1997) (the "Plan") as such grants are set forth in certain (in e ) hlaention 9 cpftain pb as





SECOND AMENDMENT TO TRUST AGREEMENT NO. 1

THIS SECOND AMENDMENT

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interpreted in a manner that will not result in any amounts being includable as compensation in the gross income of a Trust Beneficiary in a taxable year that is prior to that

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result of such transaction owns (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such business transaction, of the stock of the Company, (B) no one person, or more than one person acting as a group (other than the Company, such entity resulting from such business transaction, or employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such business transaction), beneficially owns, directly or indirectly, such bus

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INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Amendment as of the date hereof.

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SECOND AMENDMENT







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4. This Amendment shall be governed by, and construed in accordance with, the internal laws, and not the law of conflicts, of the State of Ohio.

5. In all other respects, the Agreement and each and every of them shall be governed by, and construed in accordance with, the internal laws, and not the law of conflicts, of the State of Ohio.

INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Agreement in full and free knowledge of the contents hereof.

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as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of &” 2



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INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Amendment as of the date hereof.

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INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Amendment as of the date hereof.

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(iv) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value nth



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INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Amendment as of the date hereof.

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(iv) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value nth



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INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Amendment as of the date hereof.

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FIRST AMENDMENT N MEM

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(2) The first sentence of Section 7.2 is hereby amended by the deli ~

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directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of stock of the entity resulting from









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CLIFFS NATURAL R







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specifically provided to the contrary. If t

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active employment at the end of a leave of absence (including military leave, sick leave, or other bona fide leave of absence) or permanent decrease in service to his Employer to a level that is no more than twenty percent (20%) of its prior level, as described below. For this purpose, whether a separation from service has occurred is determined based on whether it is reasonably anticipated that no further services will be performed by such employee after a certain date or that the level of bona fide services the employee will perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36) month period (or the full period of services if the employee has been providing services for less than thirty-six (36) months). For purposes of this definition, the term "Employer" shall mean the Employer of the Participant and any other entity that is treated as a single employer with such Employer under or the full length of service.



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or all of a Participant's benefits under the Plan be paid from the general assets of his Employer which are transferred to the custody of such bank to be held by it in such trust account as property of the Employer subject to the claims of the Employer's creditors until such time as benefit payments pursu







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7. Amendment and Termination. A. Cliffs has reserved and does hereby reserve the right to amend

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8. Effective Date. The amended and restated Supplemental Retirement Bene(m

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(b) "Accounting Date": December 31 of each year and the last day of each calendar quarter.

(c) "Accounting Period": The quarterly period beginning on the date immediately following an Accounting Date and ending the next following the b g





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(ll) "Termination of Service": A termination of service with the Company that constitutes a separation from service within the meaning of Treasury Regulation Section 1.409A-1(h).

(mm) "Unforeseeable Emergency": A severe financial hardship to a Director resulting from (i) an illness or accident of the Director or Beneficiary or his or her spouse or dependent (as defined in Section 12s





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(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Liquidation or

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(iii) Once such a deferral election has been terminated, another deferral election may not be made.

(ivpd













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If a Director elects payment in a single distri p



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(c) Any subsequent election related to a distribution that is to



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**ARTICLE XII. GENERAL PROVISIONS**

12.1 Interests Not Transferable; Restrictions on Shares and Rights to Shares No rights to Shares or other benefits payable in cash shall be assigned, pledged, hypothecated or otherw(





CLIFFS NATURAL RESOURCES INC. AND SUBSIDIARIES  
As of Febru

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PR&db

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**CERTIFICATION**

I, Joseph A. Carrabba, certify that:

1. I have reviewed this annual report on Form 10-K of Cliffs Natural Resources Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows and do not mislead
-

**CERTIFICATION**

I, Laurie Brlas, cScSpss

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