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<u>Investment</u>	<u>Classification</u>	<u>ati</u>		

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Significant Accounting Policies

A detailed description of our significant accounting policies is provided in Note 2 to the financial statements.

In May 2011, the FASB amended the guidance on fair value as a result of the joint efforts by the FASB and the IASB to develop a single, converged fair value framework. The converged fair value framework provides converged guidance on how to

Provisional Pricing Arrangements

During 2010, the world's largest iron ore producers began to move away from the annual international

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ended September 30, 2010 and have been excluded from the three months ended September 30, 2010. We finalized the purchase price allocation for the acquisition of Wabush during the fourth quarter of 2010.

Freewest

During 2009, we acquired 29 million shares, or

Spider

■



[Redacted]

[Redacted]

The terms of the private placement senior notes and the credit facilities each contain customary covenants that require compliance with certain financial covenants based on: (1) debt to earnings ratio and (2) interest coverage ratio. As of September 30, 2011 and December 31, 2010, we were in compliance with the financial covenants related to both the private placement senior notes and the credit facilities. The terms of the senior notes due in 2020, 2021 and 2040 contain certain customary covenants; however, there are no financial covenants.

Credit Facility

On August 11, 2011, we entered into a five

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Interest at a floating rate based upon a base rate or the LIBOR rate plus a margin based upon our leverage ratio. Certain of our material domestic subsidiaries have guaranteed our obligations and the obligations of other borrowers under the credit agreement.

Proceeds from the credit agreement will be used to refinance existing indebtedness, to finance general working capital needs and for other general corporate purposes, including the funding of acquisitions. We have the ability to request an increase in available revolving credit borrowings under the credit agreement by an additional amount of up to \$250 million by obtaining in

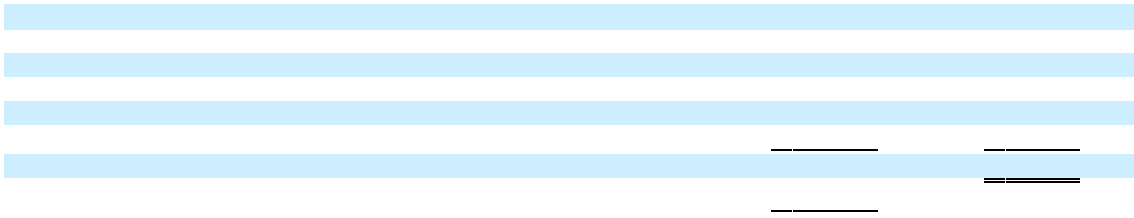
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Bridge Credit Agreement

On March 4, 2011, we entered into an unsecured bridge credit agreement with a syndicate of banks in t

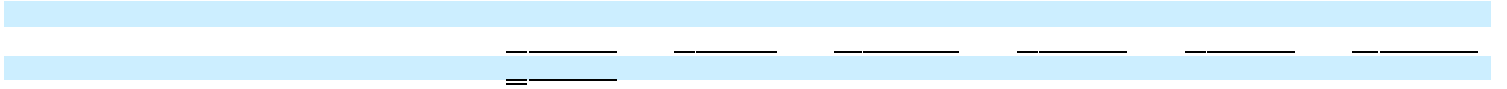




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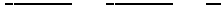
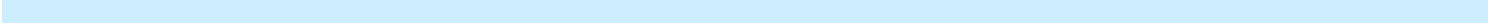
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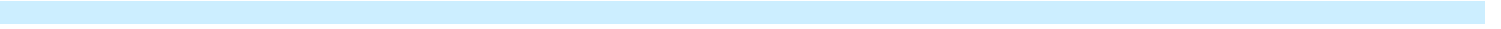
of operations of the renewaFUEL operations are reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented due to our plans to dis r



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[Redacted text]

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both 2009 and 2010. In the first nine months of 2010, our cash from operations was stronger due to the receipt of \$147.5 million in January 2010 related to

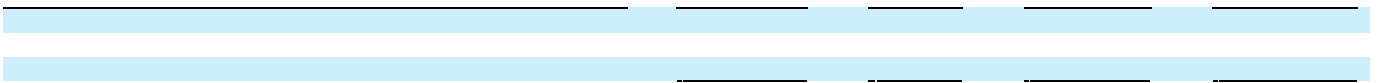
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the first quarter of 2011

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We are decreasing our 2011 capital expenditures budget to approximately \$900 million from our previous estimate of approximately \$1.0 billion.

The proposed M



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share repurchase plan replaced our existing share repurchase plan. The new share repurchase plan expires on December 31, 2012.

- (2) On September 7, 2011, the Company acquired 213 common shares from  41

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(F) Any pending legal action currently before the Federal Reserve and related institutions in connection

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- (1) Amounts included under the heading "Proposed Assessments" are the total dollar amounts for proposed assessments received from MSHA on or before September 30, 2011.

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[Exhibit Index](#)

All documents referenced below were filed ple

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101.INS

CERTIFICATION

I, Joseph A. Carrabba, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cliffs Na

CERTIFICATION

I, Laurie Brlas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cliffs Natural Resources Inc.;
2. Based on

CERTIFICATIO
