
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

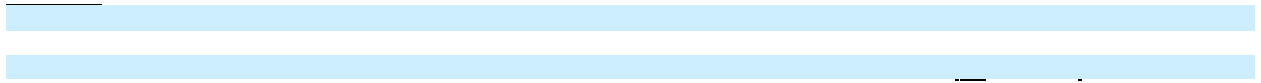
x ANNUAL REP

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a shift in the industry toward shorter-term pricing arrangements linked to the spot market. These changes caused us to assess the impact a change to the historical annual pricing mechanism would have on certain of our larger existing U.S. Iron Ore customer supply agreements and resulted in modifications to certain of our U.S. Iron Ore customer supply agreements for the u O n

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Asia Pacific Iron Ore has five-year term supply agreements with steel producers



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competing coal. Coal consumption patterns are primarily affected by demand, environmental and other governmental regulations, and technological developments. The most important factors on which we compete are delivered price, coal quality characteristics such as heat value, sulfur, ash and moisture content, and reliability of supply.

MetallurEte mo

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Specifically, there are several notable proposed or potential rulemakings or activities that could potentially have a material adverse impact on our facilities in the future depending on their ultimate outcome: Climate Change and GHG Regulation, Regional Haze, N

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were required to begin collecting emission data by no later than January 1, 2010. The first annual emission report was submitted to the EPA in September 201E

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emission reductions achieved by installing additional controls or fuel switching and/or acquiring additional allocations through an allowance trading program authorized by the CSAPR. Although the D.C. Circuit Court stayed the rule in December 2011, we have analyzed the rule and identified viable options available to Silver Bay Power to minimize financial impacts from the CSAPR once the Court reaches a decision and lifts the stay. The potential direct impact from CSAPR and other new environmental regulation is abnt

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Other Developments

Clean Water Act Section 404. In the U.S., Section 404 of the Clean Water Act

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March 2009 to January 2011, and Mr. Price served as Chief Executive Officer, Portman L p0

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Terrance M. Paradie has served h \$) pm

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A substantial majority of our sales are made under term supply agreements to a limited number of customers that are subject to changing international pricing conditions and that could negatively affect the stability and profitability of our operations.

In 2011, a majority of our U.S. Iron Ore and Eastern Canadian Iron Ore sales, the majority of our North American Coal sales, and virtually all of our Asia Pacific Iron Ore sales

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Our sales and competitive position depend on the ability to

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Interruptions in production capabilities inevitably will increase our production costs and reduce our profitability. We do not have meaningful excess capacity for current production needs, and we are not able to quickly increase production at one mine to offset an interruption in production at another mine.

A portion of our production costs are fixed regardless of current operating levels. As noted, our operating levels are subject to conditions beyond our control that can delay deliveries or increase the cost of mining at particular mines for varying lengths of time. These conditions include weather conditions (for example, extreme winter weather can result in mining delays and increased costs), natural disasters, and other factors. We have an anticipated geological cost abatement, including a portion of the amount of rock and soil overlying the deposits of iron ore and coal, variations in rock and other natural and coal, varnicipat geological ts oabilitysotiorl Woiitthmditions (cti

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Further, we are subject to a variety of potential liability exposures arising at certain sites where we do not currently conduct operations. These sites include sites where we formerly conducted iron ore mining or processing or e^o

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accelerating our obligation to provide these benefits. Certain mine closures would precipitate a pension closure liability significantly greater than an ongoing operation liability. Finally, a permanent mine closure could trigger severan

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Wabush Mines

The Wabush mine has bee

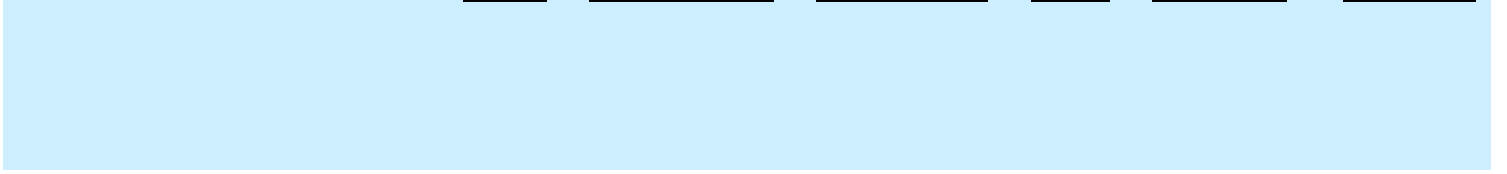
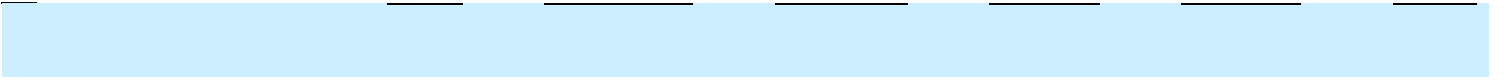
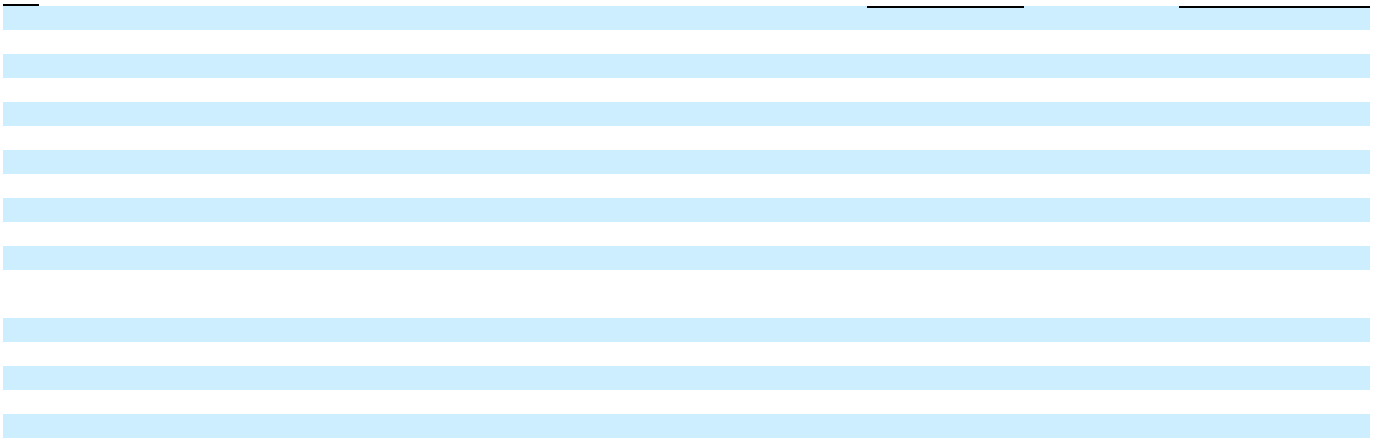


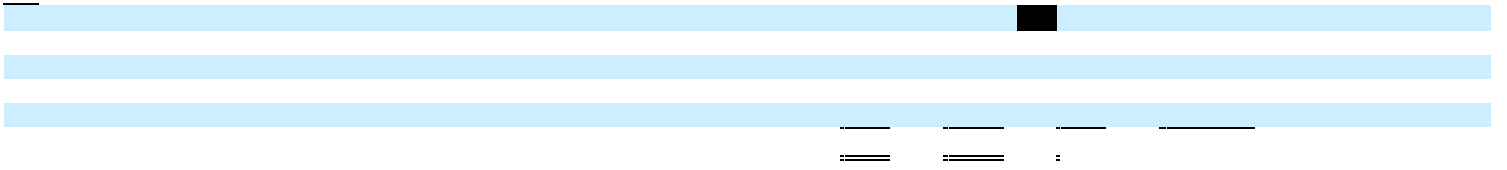
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Koolyanobbing

The Koolyanobbing operations are located 250 miles east of Perth and approximately 30 miles northeast of the town of Southern Cross. Koolyanobbing produces lump and fines iron ore. Ongoing exploration programs targeting extensions to the iron ore resource base, including regional exploration : ~~pp~~rognn







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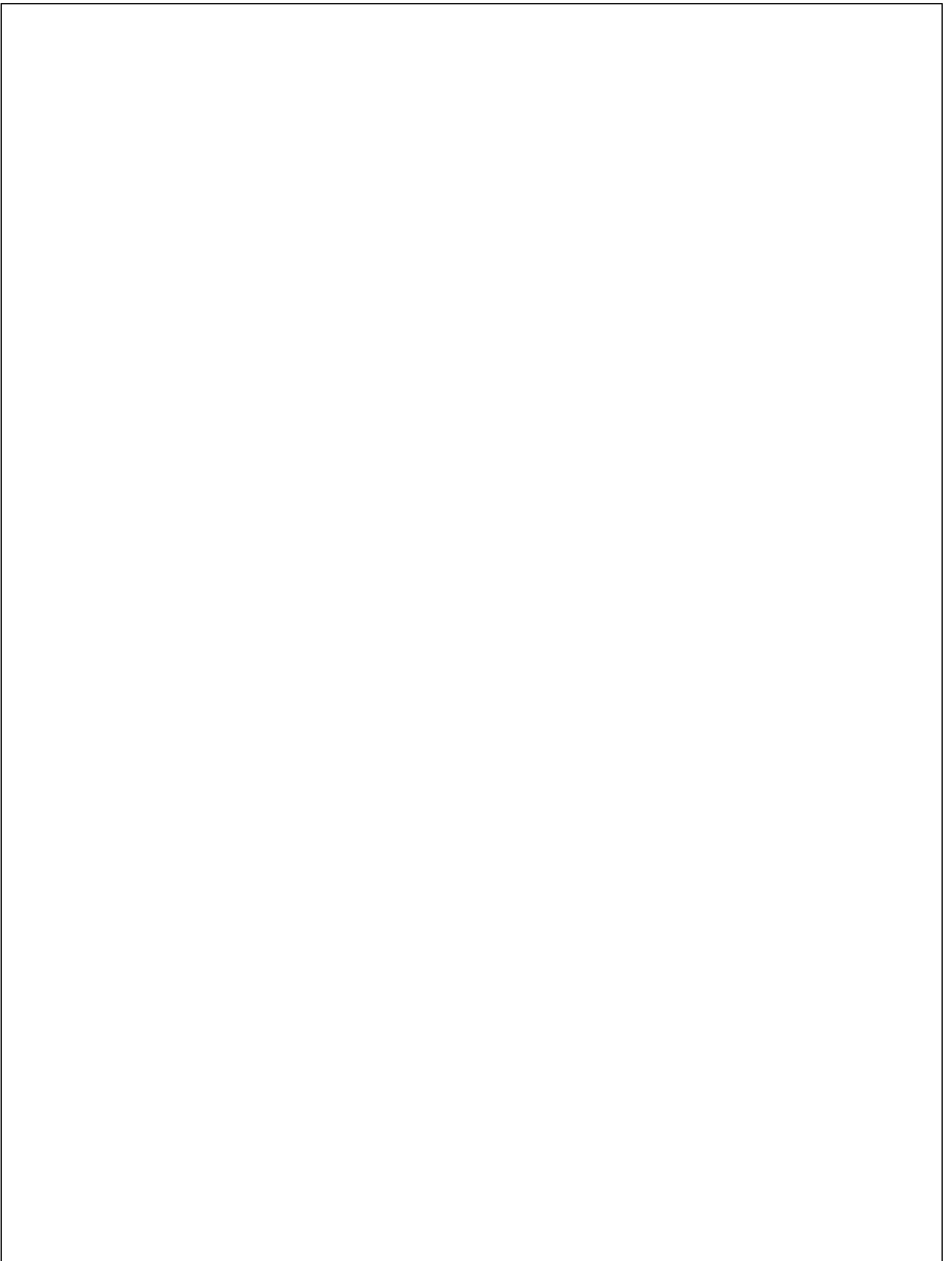
alternatives currently range from approximately \$10.0 million to \$30.5 million in total for all potentially responsible parties. In recognition of the potential for an NRD claim, the parties actively pursued a global settlement.

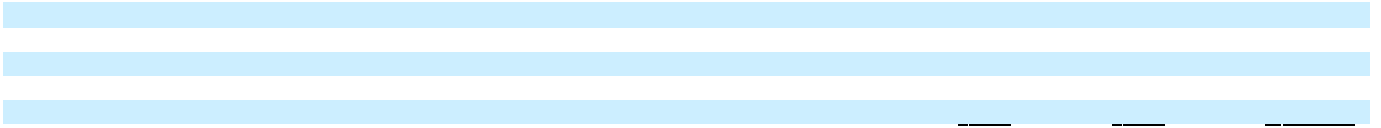
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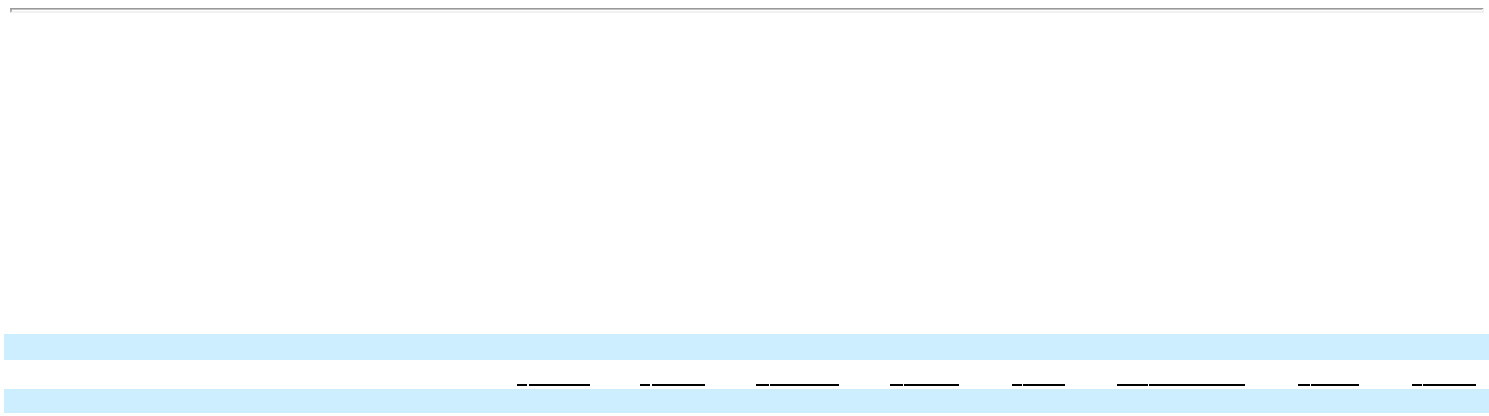
Item 7. *Management's Discussion and Analysis of F*

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completion of a public offering of 10.35 million of our common shares that raised approximately \$854 million and the execution of a f







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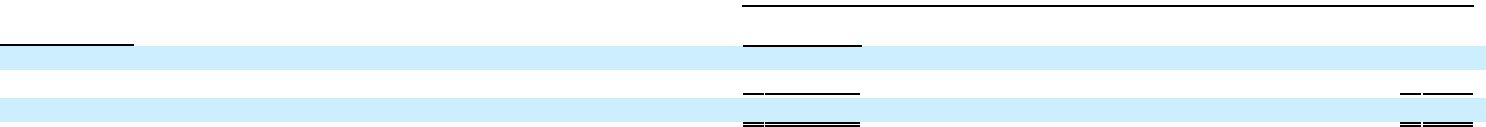
pricing mechanism referenced in our customer supply agreements, resulting in a shift in the industry toward shorter-term pricing arrangements linked to the spot market. As previously discussed, we renegotiated the terms of our supply agreements with our Chinese and Japanese Asia Pacific Iron Ore customer annually.

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Refer to NOTE 16 — COMMITMENTS AND CONTINGENCIES of the Consolidated Financial Statements for additional information regarding



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band steel price realized from the December 31, 2011 estimated price recorded would cause the fair value of the derivative instrument to increase or decrease by approximately \$7 million, thereby impacting our consolidated revenues by the same amount.

We have not entered into any hedging programs to mitigate the risk

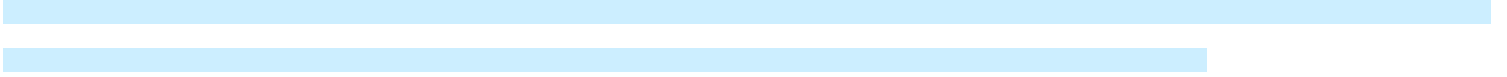
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Asset Retirement Obligations and Environmental Remediation Costs

The accrued mine closure obligations for our active mining operations provide for contractual and legal obligations associated with the eventual closure of the mining operations. Our obligations are determined based on detailed estimates adjusted for factors that a market participant would consider (i.e., inflation, overhead and profit), which are escalated at an assumed rate of inflation to the estimated closure dates, and then discounted using the current credit-adjusted risk-free interest rate. The estimate also incorporates incremental increases in the closure cost.

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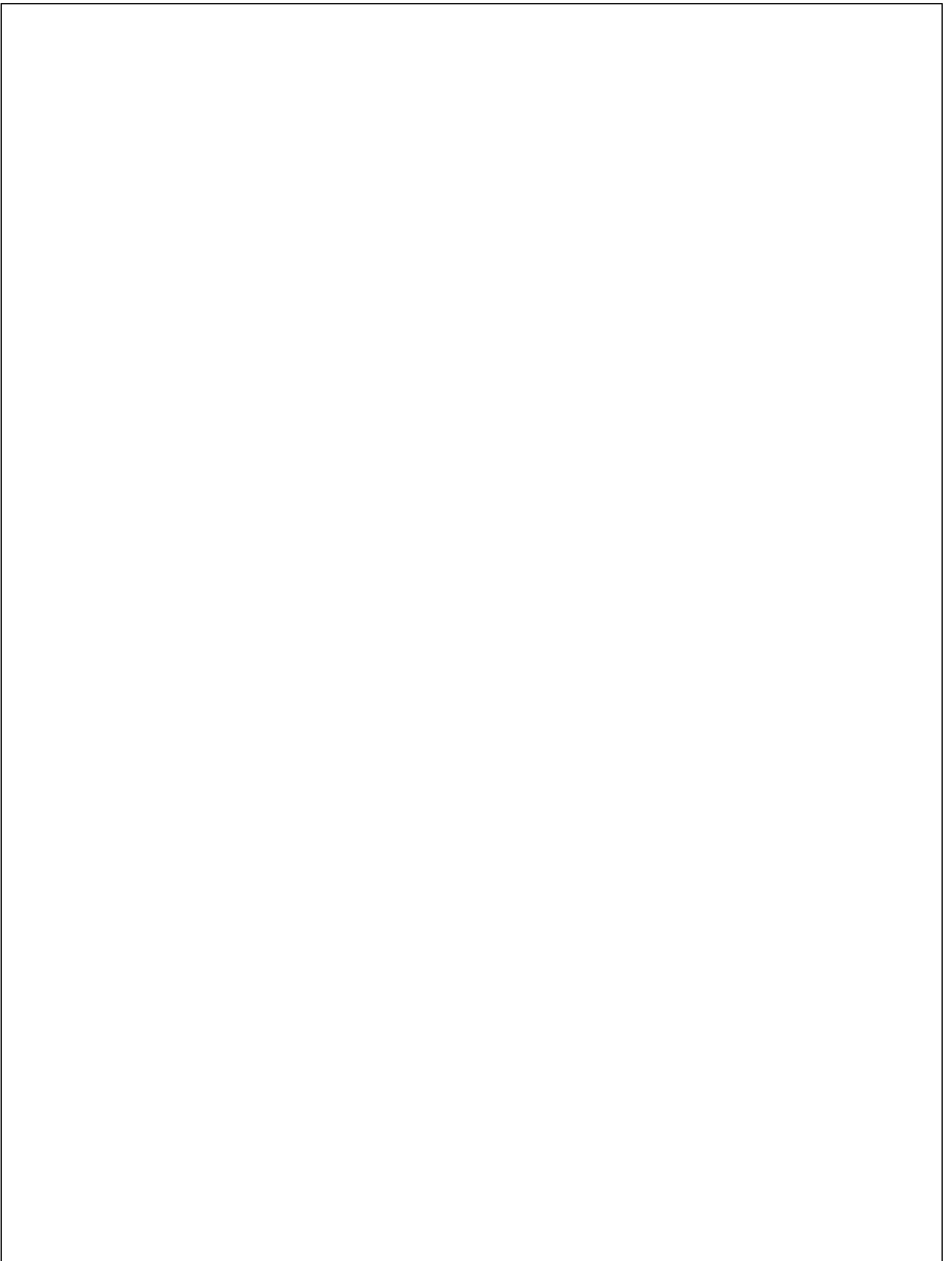
U.S. Iron Ore

U.S. Iron Ore product inventories are stated a**W**

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Derivative Financial Instruments

We a



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than the carrying value of the assets. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the assets. Fair value can be determined using a market approach, income approach or cost approach. We did not record any such impairment charges in 2011, 2010 or 2009 except for as discussed above in *Discontinued Operations*.

Equity Investments

We evaluate the loss in value of our equity method investments each reporting period to determine whether the loss is other than temporary. The primary factors that we consider in evaluating the impairment include the extent and time the fair value of each investment has been below cost, the financial condition and near-term prospects of the investment, and our intent and ability to hold the investment to recovery. If a decline in fair value ne ~ ine

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North American Coal

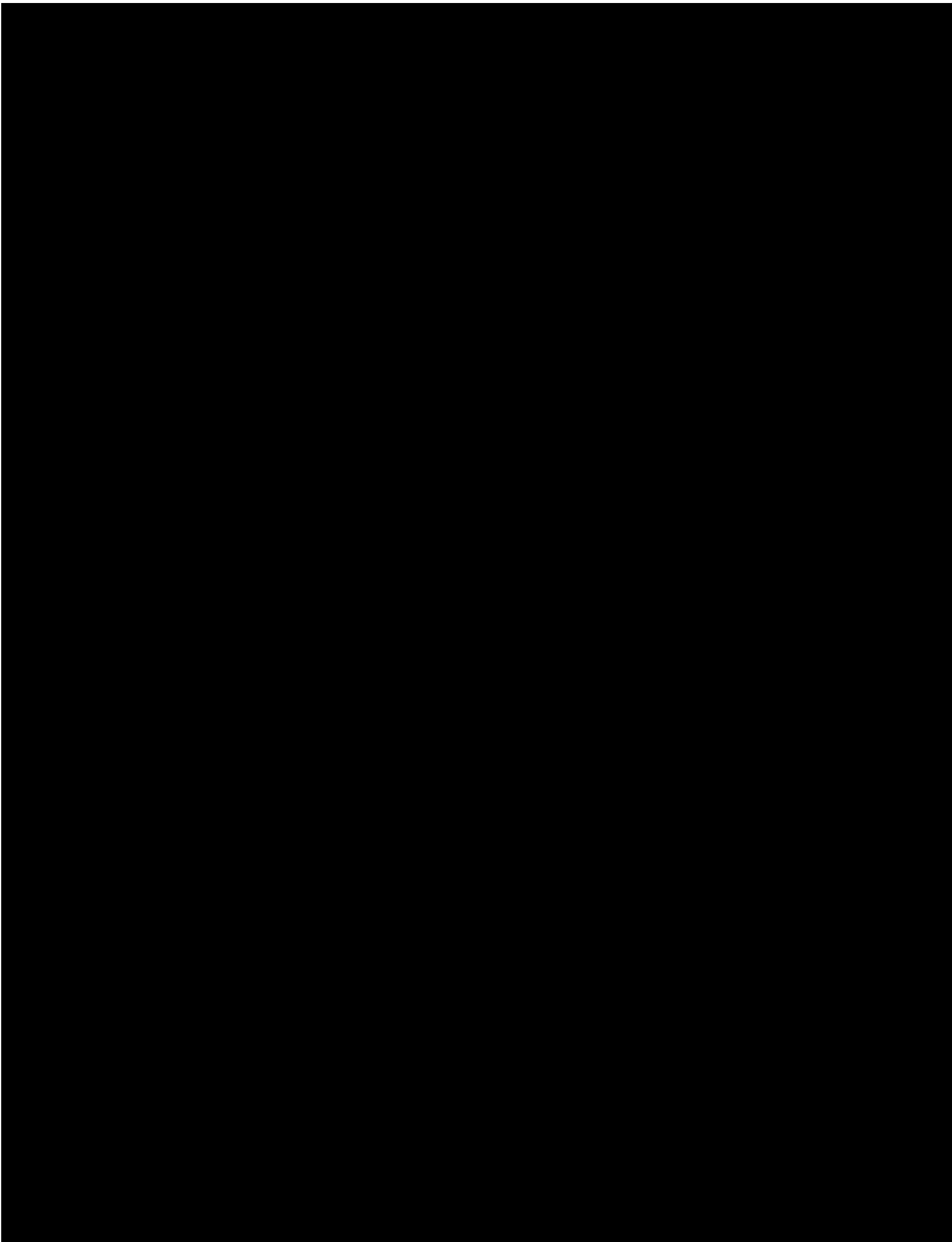
We recognize revenue when title passes to the customer. For domestic coal sales, this generally occurs when coal is loaded into rail cars at the mine. For export coal sales, title passes when the coal is loaded into vessels at the terminal. Revenue from product sales in 2011, 2010 and 2009 included reimbursement for freight charges paid on behalf of customers of \$18.3 million, \$41.9 million and \$32.1 million, respectively.

Asia Pacific Iron Ore

Sales revenue is recognized at the F.O.B. point, which generally is when the product is loaded into the vessel.

Deferred Revenue

The terms of one of our U.S. Iron Ore pellet supply agreements require supplemental payments to be paid by the customer during the term of the agreement.



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that were in place before the issuance of ASU 2011-05. All other requirements in ASU 2011-05 are not affected by this December 2011 amended guidance. The new guidance is effective for fiscal years, and d

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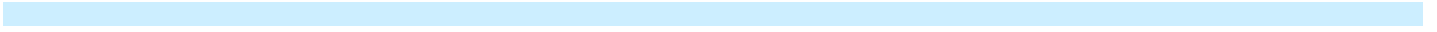
Asia Pacific Coal, Latin American Iron Ore, Ferroalloys and our Global Exploration Group. The U.S. Iron Ore segment is comprised of our interests in five U.S. mines that provide iron ore to the integrated steel industry. The Eastern Canadian Iron Ore segment is comprised of two Eastern Canadian mines that primarily provide iron ore to the seaborne market for Asian steel producers. The North American Coal segment is comprised of our five metallurgical coal mines and one thermal coal mine that provide metallurgical coal primarily to the integrated steel industry and thermal coal primarily to the energy industry. The Asia Pacific Iron Ore segment is located in Western Australia and provides iron ore to steel producers in China and Japan. There are no intersegment revenues.

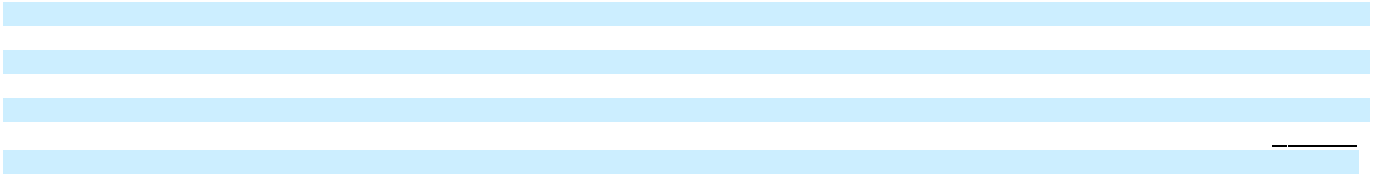
The Asia Pacific Coal operating segment is comprised of our 45 percent economic interest in Sonoma, located in Queensland, Australia. The Latin American Iron Ore operating segment is comprised of our 30 percent Amapá interest in Brazil. The Ferroalloys operating segment is comprised of our interests in chromite deposits held by Freewest and Spider in Northern Ontario, Canada and



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straight-line basis over the five-year remaining life of the contract. The remaining \$11.7 million was assigned to the value of an easement agreement that acc p.





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There were no financial instruments measured at fair value that were in a liability position at December 31, 2010.

Financial assets classified in Level 1 at December 31, 2011 and 2010 include money market funds and available-for-sale marketable securities.

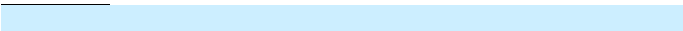
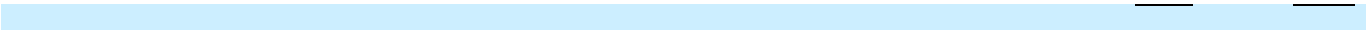
Table of Contents*\$400 Million Senior Notes Offering*

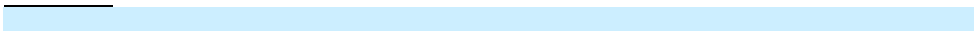
On March 17, 2010, we completed a \$400 million public offering of senior notes due March 15, 2020. Interest at a fixed rate of 5.90 percent is payable on March 15 and September 15 of each year, beginning on September 15, 2010, until maturity on March 15, 2020. The senior notes are unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured and unsubordinated indebtedness. There are no subsidiar

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operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities of \$15.5 million and \$13.7 million at December 31, 2011 and 2012 are

Table 2





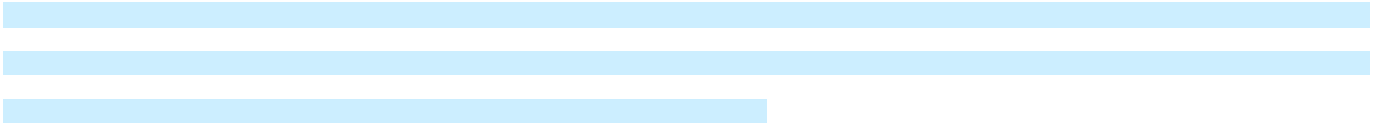
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Hedge Funds

Hedge funds are alternative investments comprised of direct or indirect investment in offshore hedge funds of funds with an investment objective to achieve an attractive risk-adjusted return with moderate volatility and moderate directional market exposure over a full market cycle. The valuation techniques used to measure fair value attempt to maximize the use of observa

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or foreign government actions or pronouncements; other recent events; existence of shelf registration for restricted securities; existence of any undertaking to register the security; and other acceptable methods o



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expenditures related to this commitment were approximately \$40 million as of December 31, 2011. Of the committed capital, expenditures of approximately \$15 million are scheduled to be made during 2012.

In 2010, our Board of Directors approved a capital project at our Koolyanobbing Operation in Western Australia. The project is expected to increase the production capacity at the Koolyanobbing Operation to approx

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operating and capital costs. Furthermore, any gains or losses generated by the

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the year ended December 31 2018

REPORT OF INDEPENDENT REGISTERED

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Signatures

Title

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EXHIBIT INDEX

All documents referenced below were filed pursuant to the Securities Exchange Act of 1934 by Cliffs Natural Resources Inc. (

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Exhibit
Number

Pagination by
Se

Table

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**Exhibit
Number**

**Pagination by
Sequential
Numbering System**

10.31 * First Amendment to Trust Agreement No. 8, dated as of March 9, 1992, by and between Cleveland-CIE C

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Exhibit
Number

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Se

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Exhibit
Number

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Sequence, Uo

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Exhibit
Number

REGULATIONS
OF
CLEVELAND-CLIFFS INC

(Thes

SECTION 4. NOTICE OF MEETINGS

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CLEVELAND-CLIFFS INC
VOLUNTARY NON4 FEOTV^{LUET}

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3.1 Eligibility

~~SECTION 3.1~~ Â Â

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CLEVELAND-CLIFFS INC
VOLUNTARY NON-QUALIFIED
DEFERRED COMPENSATION PLAN
(AMENDED AND RESTATED AS OF JANUARY 1, 2000)

ARTICLE III ELIGIBILITY AND PARTICIPATION

3.1 Eligibility

3.2 Participation

3.3 Deferral of Compensation

3.4 Matching Amount

ARTICLE IV AWARD OF COMPENSATION, CASH AWARDS AND SHARE AWARDS

4.1 Deferral of Compensation

4.2 Matching Amount

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ARTICLE IX

AMENDMENT AND TER2MENT

bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him or her, then the Committee, in its discretion, may terminate his or her interest in any such benefit to the extent the Committee considers necessary or advisable to prevent or limit the effects of such occurrence. Termination shall be effected by filing a written "termination declaration" with the Secretary of the Company and making reasonable rmiS ane it

CLEVELAND-CLIF LL

ARTICLE V
MATCHING CONTRI

ARTICLE VII
DISTRIBUTIONS

A 7.1 Distribution of ~~f~~LE VII

CLEVELAND-CLIFE

INDE

4. *Certain Procedures Relating to Indemnification.* (a) For purposes of pursuing his rights to indemnification under Section 3 hereof, the Indemnitee shall (i) submit to the Board a sworn st i

**AMENDMENT TO AMENDED AND RESTATED
CLEVELAND-CLIFFS INC RETIREMENT PLAN
FOR NON-EMPLOYEE DIRECTORS**

The Amended and Restated Plan is attached as Exhibit 10.7

independent actuary shall make its calculations based upon the assumption that each Executive will have base salary and bonus increases from the date of calculation through the date of termination of the Executive's employment. The actuary shall also assume that each Executive's salary and bonus will increase from the date of calculation through the date of termination of the Executive's employment at the same rate as the average increase in the base salary and bonus of all executives of the Company from the date of calculation through the date of termination of the Executive's employment. The actuary shall also assume that each Executive's salary and bonus will increase from the date of calculation through the date of termination of the Executive's employment at the same rate as the average increase in the base salary and bonus of all executives of the Company from the date of calculation through the date of termination of the Executive's employment.

5. Investment of Trust Fund. (a) The Trustee shall invest and reinvest the principal of the Trust including any income accumulated and added to principal, as directed by the Organization and Compensation Committee of the Board of Directors of Cleveland-Cliffs (which direction may not include investment in common shares of Cleveland-Cliffs) . In the absence of any such direction, the Trustee shall have sole power to invest the assets of the Trust (excluding investment in common shares of Cleveland-Cliffs). The Trustee shall act at all times, however, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent corporate trustee, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. The investment objective of the Trustee shall be to preserve the principal of the Trust whi"office to lfēorhewhibeuniprporise d tioeshe sestmen s (whiee shaot incluche lthato ri ensati oranlto ri ensa th tinaro rd

(b) In addition to authority given to the Trust

all cash, securities, rights and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Such written accounts shall reflect the aggregate of the Trust accounts and status of each separate account maintained for each Trust Beneficiary. Unless CpsBee

Cleveland-Cliffs shall refuse, from the assets of the Trust and charged pro rata in proportion to each s â



Exhibit A

John S. Brinzo

William R. Calfee

Thomas J. O'Neil

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Exhibit B

“Change of Control” means the occurrence of any of the following events:

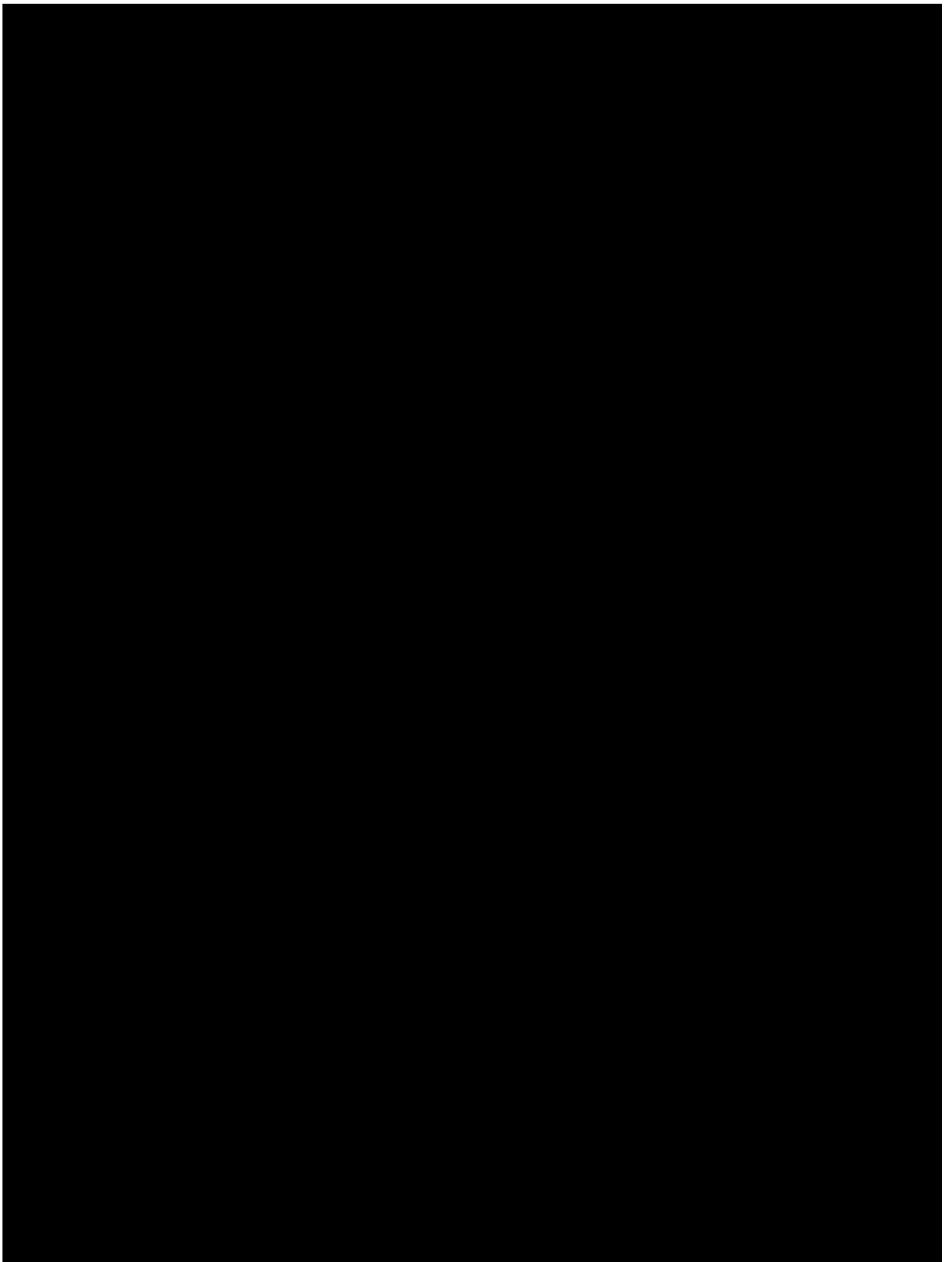
- i. The acquisition by any individual

AMENDED AND RESTATED TRUST AGREEMENT NO. 2

This Amended and Restated Trust Agreement No. 2 ("Trust Agreement No. 2") is made on this 15th day of October, 2002, by and between Cleveland Trust

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or by any person in beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then outstanding securities of Cleveland-Cliffs entitled to vote generally in the election of directors (“Voting Stock”); provided, however, that for purposes of this Section 13(d)(3), the following acquisitions shall not constitute a Change of Control: (A) any issuance of Voting Stock of Cleveland-Cliffs by Cleveland-Cliffs in compliance with the Incumbent-Cliffs and Cliffs-Cliffs plan of reorganization stipulated in the “Cliffs-Cliffs”;

funds, whether or not maintained by the Trustee, substantially all of the assetsplaint a



AMENDED AND RESTATED TRUST AGREEMENT

AMENDED AND RESTATED TRUST AGREEMENT NO. 2
FORM OF 5

In addition,

AMENDED AND RESTATED TRUST AGREEMENT NO. 2.

(f) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a Director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee benefit plan, its participants or beneficiaries; references to the masculine shall include the feminine; references to the singular shall include the plural and vice versa; and with respect to employees, references to the masculine shall include the feminine.

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- (ii) to the extent based upon or attributable to the Indemnatee having actually realized a personal gain or profit to which he was not legally entitled, including without limitation profit from the purchase and sale by the Indemnatee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934, or profit arising from transactions in publicly traded securities of the Company which were effected by the Indemnatee in violation of Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder.

(b) A determination as to whether the Indemnatee shall be entitled to indemnification under this Section

TRUST SES

(f) The Trustee may rely and shall be prote

15. Notices: Identification of Certain Trust Beneficiaries (a) All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed

AMENDMENT NO. 1 TO TRUST AGREEMENT NO. 5

This Amendment No. 1 to Trust Agreement made on May 12, 1989 by and between Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs") and Ameritrust Company National Association, a national banking association, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, on October 28, 1987, Cleveland-Cliffs and the Trustee entered into a Trust Agreement ("Trust Agreement");

WHEREAS, the Deferred Compensation Agreements referred to in the first WHEREAS clause of the Trust Agreement have been terminated and all accounts thereunder have been paid to the executives or beneficiaries who are entitled to payment thereunder;

WHEREAS, Cleveland-Cliffs has reserved the right, with the Trustee, pursuant to Section 12 of the Trust Agreement, to amend the Trust Agreement without the consent of any Trust Beneficiaries, as defined in the Trust Agreement.

NOW, Therefore, Cleveland-Cliffs has ree Trustee, pursesnto bet

~~WHEREAS~~ WHEREAS, Cleve of the Trustee, pument.

IN WITNESS WHEREOF, Cleveland-Cliffs and the Trustee have uan

IN WITNESS WHEREOF, Cleveland-CI

THIRD AMENDMENT TO TRUST AGREEMENT ~

(iii) a person within the meaning of Section 3(a)(9) or of Section 13(d) (as in effect on the date hereof)

FIFTH AM

TRUST AGREEMENT NO. 7

Tn. ~

“Code”), and the Plan also provides for the pa

(i) a tender offer shall be made and consummated for the ownership of 30% or more of the outstanding voting securities of

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(e) A Participating Employer may at any time or from time to time make additional deposits of cash or other property in the Trust to augment the principal to be held, administered and disposed of by the Trustee as herein provided, but no payments of all or any portion of the principal of the Trust or earnings thereon shall be made to a Participating Employer or any other person or entity on behalf of a Participating Employer except as herein expressly provided.

(f) The Trust is intended with respect to each Participating Employer, to be a grantor trust, within the meaning of Section 671 of the Code, or any successor provision thereto, and shall be construed accordingly. The Trust is not designed to qualify under Section 401(a) of the Code or to be subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust established under this Trust Agreement No. 7 does not fund and is not intended to fund the Plan or any other employee benefit plan or program of a Participating Employer. Such Trust is and is intended to be a depository arrangement with the Trustee for the setting aside of cash and other assets of the Participating Employers as and when each of them so determines in its sole discretion for the meeting of part or all of its future obligations with respect to Benefits to some or all of the Participants under the Plan.

2. Payments to Participants or Beneficiaries.

(a) Provided that the Trustee has not actually received notice as provided in Section 3 hereof that a Participant's or

undistributed principal and income in the Trust to the extent of the balances of the accounts maintained hereunder on behalf of the Identified Participating Employer to the extent necessary to satisfy the claims of the creditors of such Identified Participating Employer as a court of competent jurisdiction may direct. Such payments of principal and income shall be borne by the separate accounts of the Participants in proportion to the balances on the date of such court order of their respective accounts maintained pursuant to Section 7(b) hereof. If payments to any Participant or Beneficiary have discontinued pursuant to this Section 3(a), the Trustee shall resume payments to such Participant or Beneficiary only after receipt of an order of a court of competent jurisdiction. The Trustee shall have no duty to inquire as to whether a Participating Employer is Insolvent and may rely on information concerning the Insolvency of a Participating Employer which has been furnished to the Trustee by any creditor of a Participating Employer or by any person. Nothing in this Section shall in any way diminish any right or interest of any creditor of any Participating Employer.

depository;

(h) The Trustee is empowered to take all actions necessary or advisable in order to collect any benefits or proceeds

All Senior Officers and O

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Pension Plan did not contain a provision implementing the Code Limitations, and after giving effect to the provisions of any Supplemental Agreement, and (ii) the amount of

shall transmit a written notice of such decision to the Claimant, which notice shall be written p~~o~~written

CLEVELAND-CLIFFS INC
SUPPLEMENTAL RETIREMENT BENEFIT PLAN
(as Amended and Restated Effective January 1, 199~~y~~)

3. Payment of the Supplemental Pension Plan Benefit

- (a) A Participant's (or his Beneficiary's) Supplemental Pension Plan Benefit (calculated as provided in paragraph 2) shall be converted, at the time of his termination of employment with the Controlled Group and each Affiliate, into ten annual installment payments (the "Ten Installment Payments") of equivalent actuarial value. The equivalent actuarial value shall be determined by the actuary selected by Cleveland-Cliffs based on the 1971 TPF&C Forecast Mortality Table set back one year, the Pension Benefit Guaranty Corporation interest rate for immediate annuities then in effect, and other factors then in effect for purposes of the Pension Plan.
- (b) If the Participant voluntarily terminates employment with, or retires under the terms of the Pension Plan from, the Controlled Group and each Affiliate, or the Participant's employment with the Controlled Group and each Affiliate is involuntarily terminated, the Participant's former Employer shall pay the Ten Installment Payments to the Participant beginning on the first day of the month following the Participant's retirement under the Pension Plan, and on each anniversary thereafter until the Ten Installment Payments have been made; provided, however, that if the Participant has effectively elected another form of distribution, such Participant's former Employer shall pay or commence payment in such other form of distribution beginning on the first day of the month following the date of the Participant's retirement under the Pension Plan. A Participant who voluntarily terminates employment with, or who retires under the terms of the Pension Plan from, the Controlled Group and each Affiliate may by written notice filed with the Administrator at least one (1) year prior to the Participant's voluntary termination of employment with, or retirement from, the Controlled Group and each Affiliate elect to defer commencement of the payment of his benefit until a date selected in such election. Any such election may be changed by the Participant at any time and from time to time without the consent of any other person by filing a later signed written election with the Administrator; provided that any election made less than one (1) year prior to the Participant's voluntary termination of employment

or retirement shall not be valid, and in such case payment shall be made in accordance with the Participant's prior election, or otherwise in accordance with this pa

5. General. A. The entire cost of this Supplemental Retirement Benefit Plan shall be paid from the general assets of one or more of the Employers. It is the intent of the Employers to so pay benefits under the Plan as they become due; provided, however, that Cleveland-Cliffs may, in its sole discretion, establish or cause to be established a trust account for any or each Participant pursuant to an agreement, or agreements, with

advising the Claimant that, within 60 days of the date on which he receives such notice, he may obtain review of such decision in accordance

TRUST AGREEMENT NO. 8

TRUST AGREEMENT NO. 8

This Trust Agreement ("Trust Agreement No. 8" and "eth

(i) The Trustee shall have

(i) Cleveland-Cliffs shall merge u

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II.	PAYMENTS TO TRUST BENÖ	2
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WHEREAS, the Company wishes to establish a trust to hold the shares of the Company on behalf of the

that is sufficient, ta

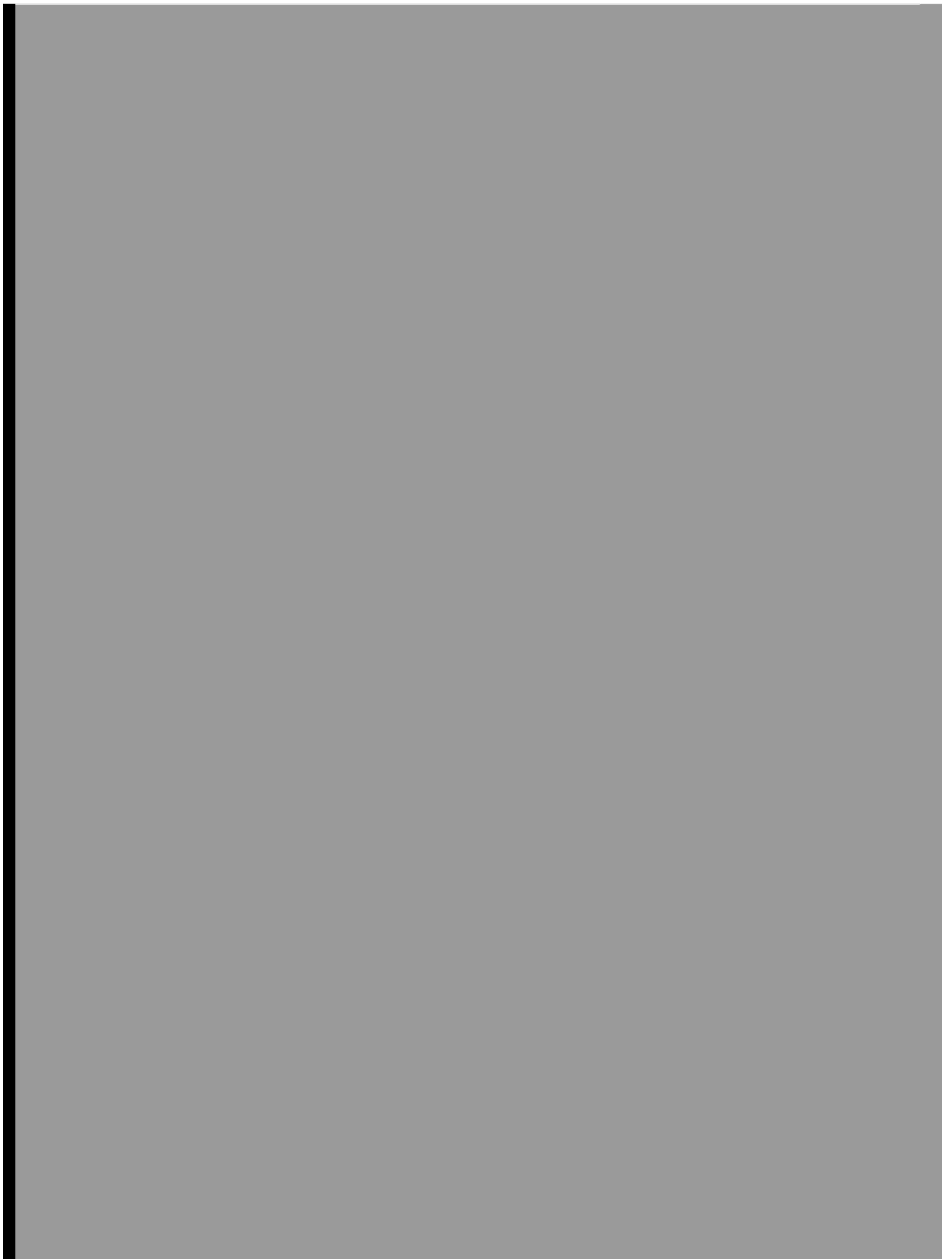
1.6 Not later than the date of any Change of Control, the Company shall (a) specify the nature, amounts and timing of the Benefits to which each Trust Beneficiary may become entitled under Article IX, in an exhibit ("Exhibit C") which shall become a part of this Agreement and be incorporated by this reference, (b) provide any corresponding revisions to Exhibits A and B that may be required and (c) provide the Trustee with copies of the Plan and any amendments thereto.

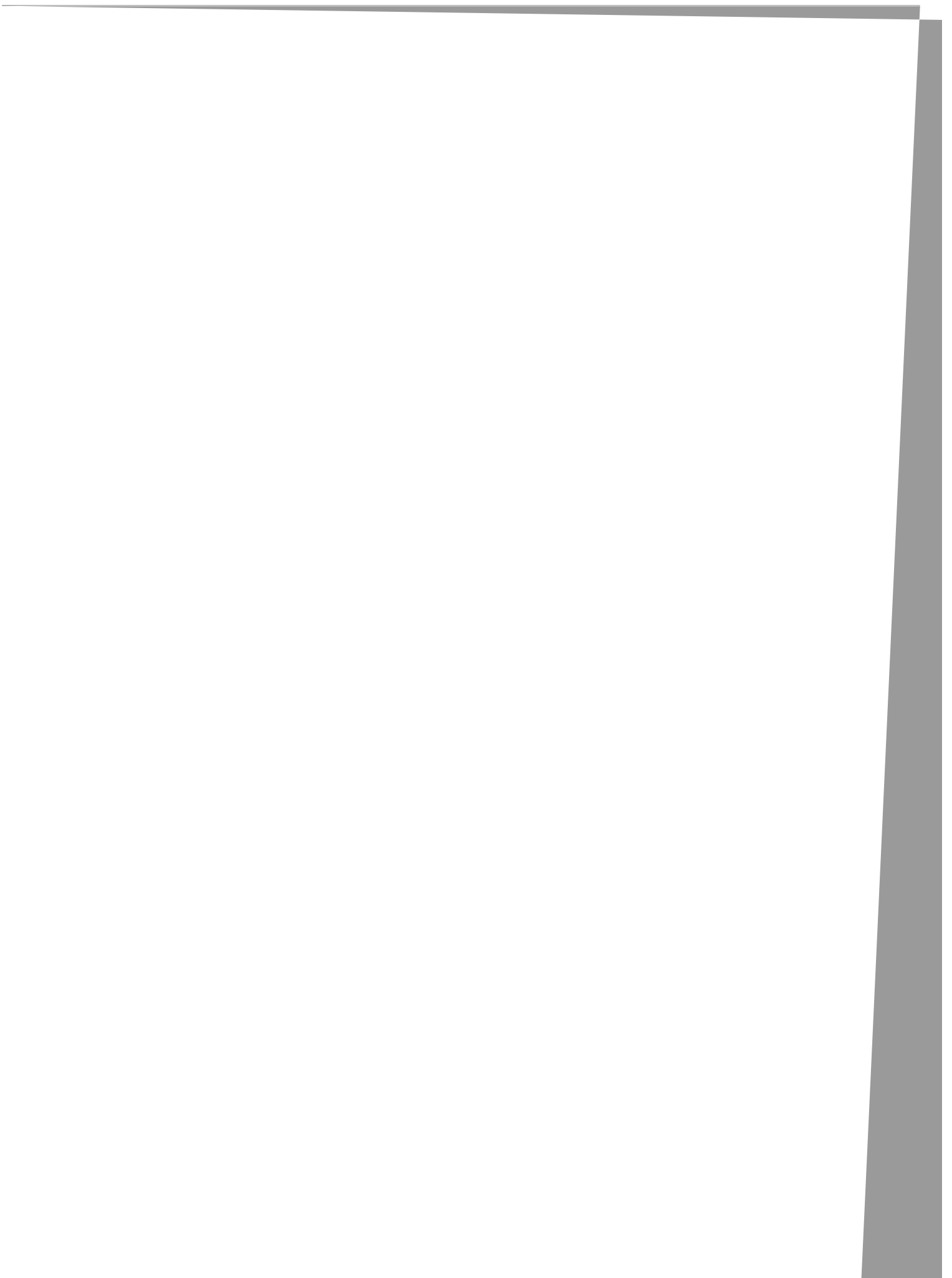
1.7 The Trust is intended to be a grantor trust, within the meaning of section 671 of the Internal Revenue Code of 1986, as amended (the "Code"), S

3.2. If the Trustee is precluded from paying Benefits from the Trust assets pursuant to Section 3.1 and such prohibition is subsequenuhd

XIII. NOTICES

13.1 For all purposes of this A





3.2 Form of Payment. Post-retirement income payable pursuant to Section 3.1 shall be paid to the Participant for a period equal to his years of continuous service on the

alienate, anticipate, sell, pledge or otherwise encumber his benefits hereunder or any part thereof, or if by reason of his bankruptcy or other event ~~h~~edr nt anynt use pf

Beneficiaries as Benefits in such manner and as specified in this Agreement unless the Company is Insolvent (as that term is defined below)ud ~ ò

below the amount necessary to provide adequately for Benefits known to the Trustee to be payable in the future, the Trustee shall nevertheless mau

The Trustee shall pa

expenses as incurred (including expenses of investigation and fees and disbursements of counsel to the Trustee and any taxes imposed on the Trust assets or income of the Trust) arising out of or in connection with the performance by the Trustee of its duties, other than such damages, losses, claims or expenses arising out of the Trustee's gross negligence or willful misconduct. The Trustee shall not be required to undertake or to defend any litigation arising in connection with this Agreement unless it be first indemnified by the Company against its prospective costs, expenses and liabilities (including g

12.1 The Comp

4.5 *Withholding Taxes.* If the Company is required to withhold any taxes or other amounts from a Director's Deferred Fees or Deferred Shares pursuant to any state, Federal or local law, such amounts shall, to the extent possible, be deducted from the Director's Fees or Required Retainer Shares or Voluntary Shares before such amounts are credited as described in Sections 4.2 and 4.4 above. Any additional withholding amount required shall be paid by the Director to the Company as a condition of crediting his or her Accounts.

~~ARTICLE V. amom~~

(c) If no such designated Benn

Retiree Medical Coverage

Subsidized retiree medical coverage is not a part of the Company's retirement benefit pro

Please coo

7.4 Other expenses

7.5 Insuranu

-
- (c) any entity that controls, is controlled by or is under common control with, the Employer; and
 - (d) any other entity that is connected with the Employer or any other member of the Group by a common interest in an economic enterprise, for example, a partner or another member of a joint venture.

Incentive Pay means an annual bonus, incentive or other payment

(A) commits any serious breach of a provision of this document or the Group's or Employer's policies or Code of Conduct (a copy of the Code of Conduct has been provided to the Executive with this document and may be updated by the Group from time to time);

14.5 Redundancy payment

(a) Subject to clause 14.5(b) below, if the Employer terminates the Executive's employment for reason of redundancy, the Executive will receive a redundancy payment (inclusive of notice) calculated at 4.083 times the Executive's annual base salary of which:

01/2025

Revenue Service or the Australian Taxation Office and corresponding state and local tax returns whether in the US or Australia, if relevant, as filed with the applicable taxing authority, and such other documents reasonable

Annex A—Severance Compensation

(1) A lump sum payment in an amount equal to the number of years in the Continuation Period defined in clause 1.1 of the Employment Contract multiplied by the sum of (A) Remuneration (at the highest rate in effect for any period prior to the Executive's termination or Separation from Service), plus ^{the} lump

Executive, his dependents and beneficiaries, of such Employee Benefits along with, in the case of any benefit described in Paragraphs 2 or 3 which becomes subject to tax because it is not or cannot be paid or provided under any such policy, plan, program or arrangement of the Employer, Cliffs or the Group, an addition

EXHIBIT A

4. The Executive understands and acknowledges that the Company does not admit any violation of law, liability or invasion of any of his rights and that any such violation, liability or invasion is expressly denied. The consideration provided for this Release is made for th ~

EXECUTED as an agree

Variation

In accordance with clause 23 of the Employment Contract, the parties agree that clause 1.1, clause 16, Sche` ua

any such enterprise and/or the exercise of rights appurtenant thereto or (ii) participation in the m

claims under the Age Discrimination in Employment Act, as amen

10 March 2010

Employment Contract

Cliffs Natural Resources Pty Ltd
ACN 112 437 18

(e) if an example is gipx

7. OTHER BENEFITS

7.1 Travel

Th-u





LONG-TERM EQUITY INCENTIVE PLAN

You will participate in the Long Term Equity Incentive Plan and be eligible to

5. Expenses. The Company will reimburse ConsultS



JAMES R.: ~

CLEVELAND-CLIFFS INC AND SU

-
7. Each year the Committee will approve a bonus funding structure which will be used to determine the bonus pool for the then current year. The bonus funding structure will be

(c) Prior to payment, the Company shall only have an unfunded and unsecured obligation to make payment of Performance Shares

Francis R. McAllister

James D. Ireland III

Roger Phillips

Richard K. Riederer

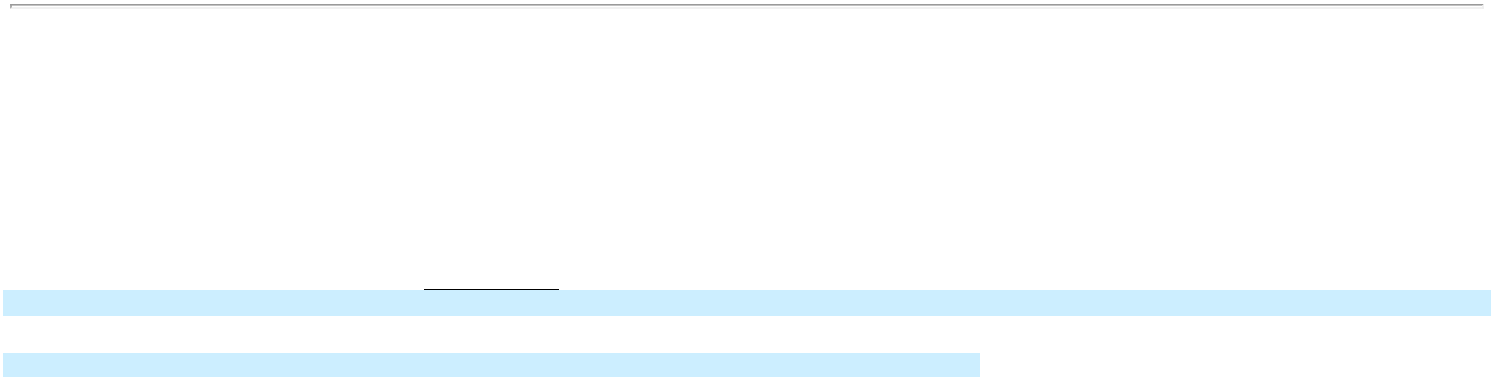
Exhibit D

FREE CASH FLOW
(2009-2011)

Free Cash Flow is cfCa1)

(b) Any payme

5.6 Amendments. The Plan, the Grant and these Terms and Conditions can be amended at any time by the Company. Any amendment to the Plan shall be deemed to be an amendment to the Grant and these Terms and Conditions to the extent that the amendment is applicable hereto. Except pCLe

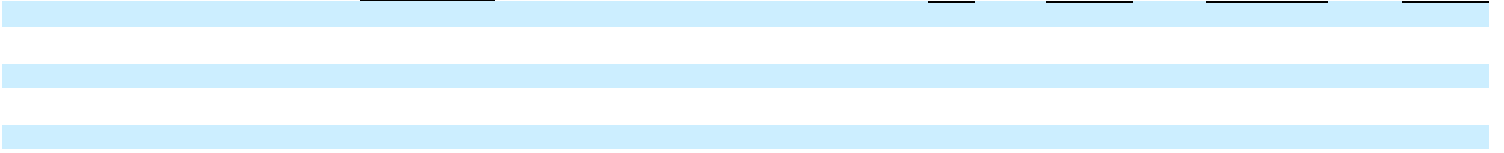


ARTICLE 2.

Grant and Terms of Performance Units

2.1 Grant of Performance Units. Pursuant to th

Exhibit



CLIFFS NATURAL RESOURCES INC.

2010 2

2.5 Payment of Performance Shares.

(a) The Payment of Perfor

(b) Any payme

ARTICLE 5.

General Provisions

5.1 Compliance with Law. The Company shall make reasonable efforts to comply with applicable laws and regulations.

Exhibit C

RELATIVE TOTAL SHAREHOLDER RETURN
(2010-2012)

Relative Total Shareholder Return for the Incentive Period is calculated as follows:

1. Tl l @ SiodT\$ P& tu u

PELLET SALE AND PURCHASE AGREEMENT

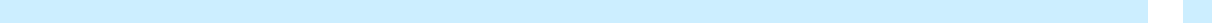
THIS AGREEMENT

<i>person</i>	2
<i>PSA</i>	1
<i>Sault Ste. Marie Plant</i>	4
<i>Source Requirements</i>	6
<i>Tilden</i>	1
<i>Tilden Hem Flux Pellets</i>	4
<i>Tilden Mag Flux Pellets</i>	4
<i>Tilden Pellets</i>	4
<i>Tilden Plant</i>	4
<i>TIOP</i>	1
<i>ton</i>	2
<i>WCS</i>	12
<i>World Pellet Price</i>	2
<i>year</i>	3

2. SALE AND PURCHASE/VOLUME.

(a) Subject to th

(c) Deliveries shall be made as follows:



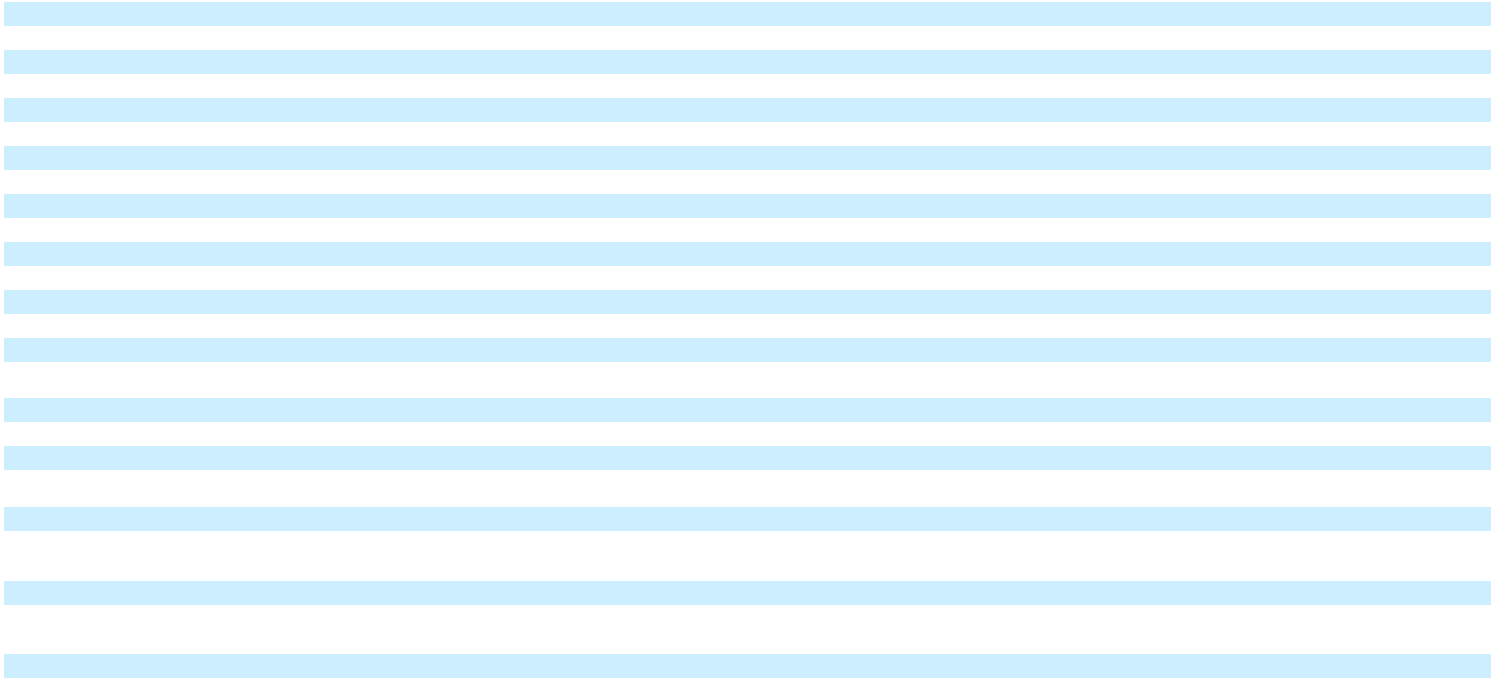
Iron Ore Blended Pel

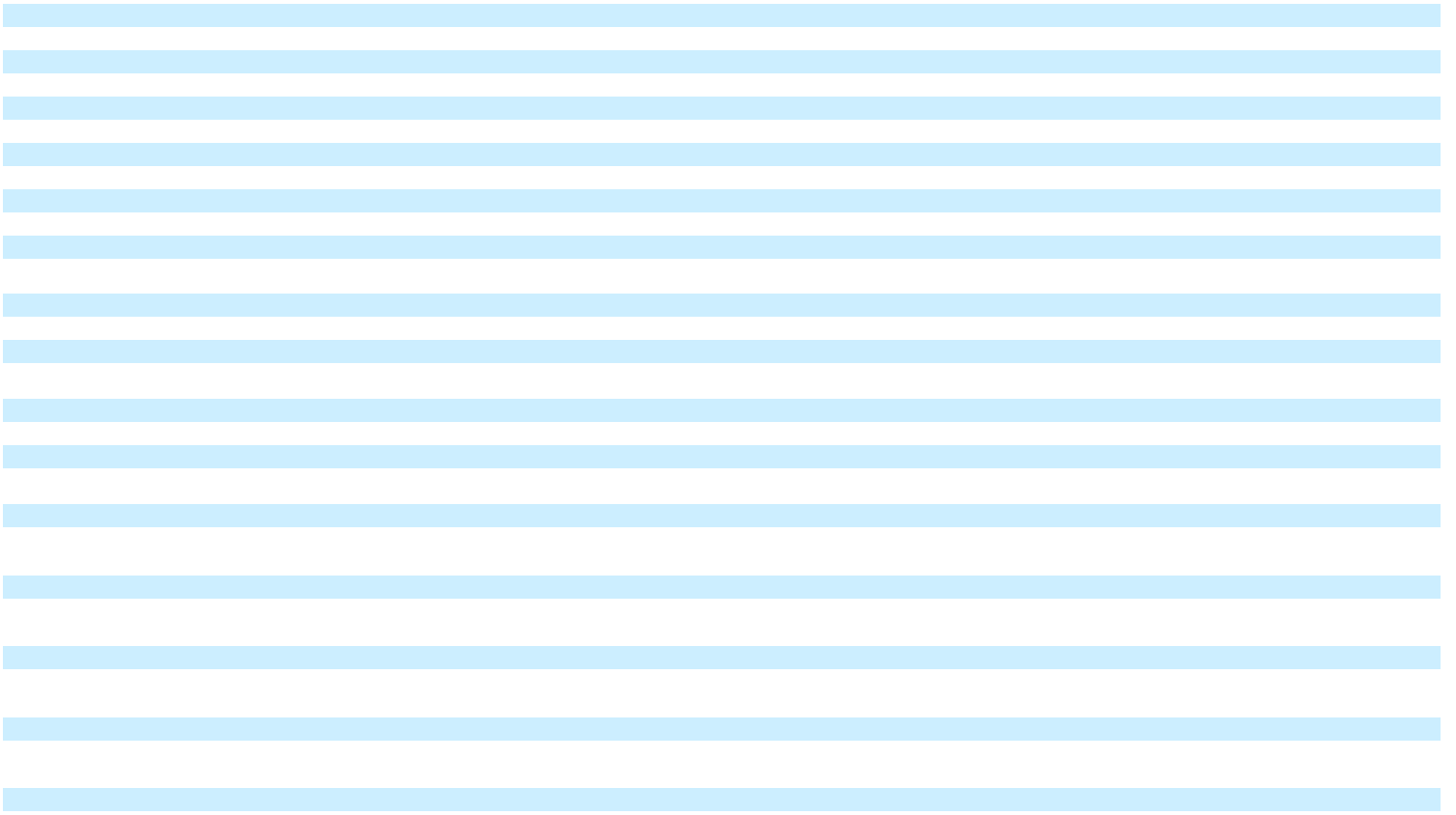
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PELLET SALE AND PURCHASE AGREEMENT

THIS AGREEMENT, entered into, dated and effective as of Aec

(in The words just now, as used herein, shall mean "le", ...,s, C h d s t h e r e, h e w o r d s * S e w " n e t o h n § h e r e i n, s e a l l m e a n n " l e " e l s § n §

(3) Add the result determined in (2) above to the preceding year's

hot band steel pricing for actual sales in any contract year is below \$230 per net pt

calculation (and payment, if any) shall be based on Steel's average unprocessed hot band steel pricing for actual sales for the qu

(c) At their own expense, Cliffs and/or Steel shall have an annual rigeaver

strikes, labor disputes, fires, floods, embargoes, accidents, acts of terrorism, or uncontrollable delays at the mines or either steel plant, on the railroads, docks or in transit, shortage of transportation facilities, disasters of navigation, or other causes, similar or dissimilar, that are beyond the control of the party charged with a failure to delvith

seek a protective order or take other appropriate action to preserve the confidentiality of such Confidential Information. If either party determines to file this Agreement with the Securities and Exchange Commission ("Commission") or any other federal, state or local governmental or regulatory authority, or with any stock exchange or similar body,

Section 4(c) of the Agreement is hereby deleted and the following added as a new Section 4(c):

2. Section 4(c) of the Agreement is hereby deleted and the following added as a new Section 4(c):

(d) With respect to the tonnage of Empire Pellets, Tilden Pellets, Northshore Pellets, Hibbing Pellets and UTAC Pellets which Cliffs will have available for sale to Steel, on or before December 31 of each year Cliffs shall notify Steel in writing as to the tonnage of Empire Pellets, Tilden Pellets, Northshore Pellets, Hibbing Pellets and UTAC Pellets Cliffs shall sell to Steel, which tonnage shall equal Steel's Annual Pellet Tonnage divided by the number of Pellets, Northshore Pellets, Hibbing Pellets and UTAC Pellets.

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**CONFIDENTIAL MATERIAL HAS BEEN
OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION.
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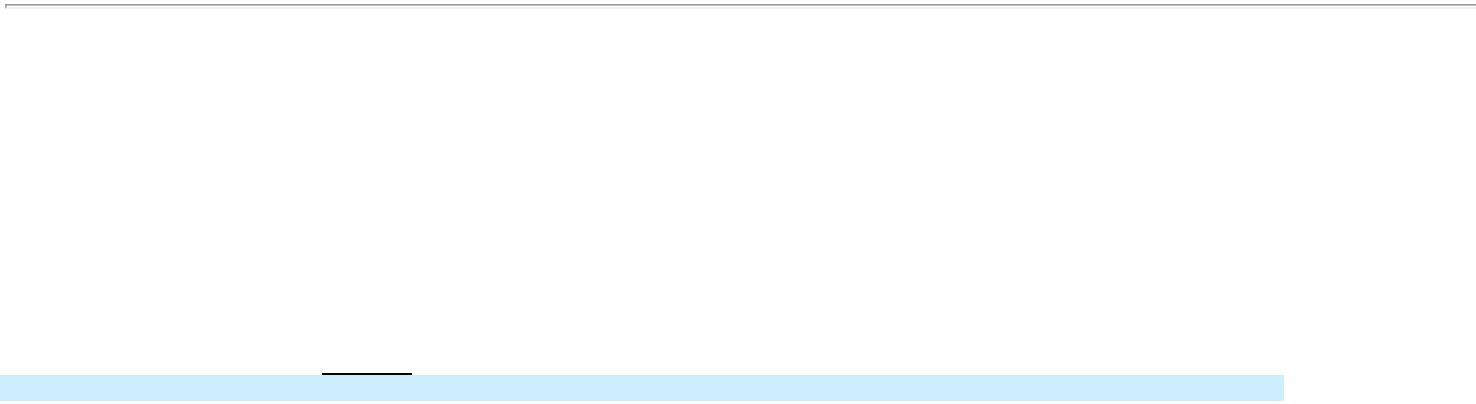
(b) Cliffs rep

defense; any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrators, which determination shall be conclusive; and all discovery shall be completed within 45 days following the appointment of the arbitrators;

(iv) in its entirety

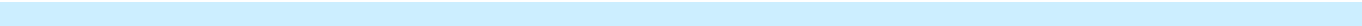
liquidator, or similar official; (iv) make an assignment for the benefit of its creditors; or (v) admit in writing its inability to pay its debts as they become due; or

- (II) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against a subject party in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator, or similar official for the subject party or substantially all of the subject party's properties, or (iii) orders the liquidation of the subject party, and, in ept



[Redacted text block]

[Redacted text block]



AMENDED AND RESTATED PELLET SALE AND PURCHASE AGREEMENT

THIS AGREEMENT, entered into, dated and effective as of May 17, 2004 (§§d 81ēr da 17d efd8 e

(d). If any two vSwo vS \$ \$

Section 7.—Sampling and Analyses.

All pellet sampling procedures and analy

agreement. However, to secure the pec ph

promptly any information request

If to Cliffs:

1100 Su liffs:

(v) In connection onnec

**CONFIDENTIAL MATERIAL HAS BEEN
OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION**

—

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**CONFIDENTIAL MATERIAL HAS BEEN
OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION.**

Section 20. — Confidentiality

(a). Cliffs and Severstal acknowledge that this Agreement contains certain pricing, adjustment and term provisions which are confidential, proprietary or of a sensitive commercial nature and which would put Cliffs or Severstal at a competitive disadvantage if disclosed to the public ce confidenst cfs alvis a). Cliffs and Severstas Agve

LIST OF EXHIBITS

[****] Pr ~~AS~~ [****] a

(b). This Agreement shall remain valid and fully enforceable for the fulfillment of obligations incurred prior to termination.

~~Section 18. DISPOSITIONS.~~ ~~Section 18. DISPOSITIONS.~~

This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

Section 18.—DISPOSITIONS.

("Transferee") unless the Transferee assumes in writing all of AK Steel's obligations under this Agreement, as such obligations relate to AK Steel being sold or transferred. Any obligations required to be assumed by a Transferee in accordance with this Section 18(b) shall be limited to the AK Steel obligations under this Agreement relating to the particular facility opfaciliti*
picac 1 at 8(edbp 5 eh pf

Consent of Ind

CERTIFICATION

I, Joseph A.





