Global Growth Strategies for an Integrated Mining Company

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Cliffs Natural Resources Inc.
Metal Bulletin China Iron Ore - February 2012
“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

This presentation and accompanying oral remarks contain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of predictive, future-tense or forward-looking terminology, such as “believes,” “anticipates,” “expects,” “estimates,” “intends,” “may,” “will” or similar terms. These statements speak only as of the date of this presentation and we undertake no ongoing obligation, other than that imposed by law, to update these statements. These statements appear in a number of places in this presentation and relate to our intent, belief or current expectations of our directors or our officers with respect to: our future financial condition, results of operations or prospects; estimates of our economic iron ore and coal reserves; our business and growth strategies; and our financing plans and forecasts. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those contained in or implied by the forward-looking statements as a result of various factors, some of which are unknown, including, without limitation:

- the ability to successfully integrate acquired companies into our operations, including without limitation, Consolidated Thompson Iron Mines Limited;
- uncertainty or weaknesses in global and/or market economic conditions, including any related impact on prices;
- trends affecting our financial condition, results of operations or future prospects;
- the ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions to reflect a shorter-term or spot-based pricing mechanism;
- the outcome of any contractual disputes with our customers or significant energy, material or service providers;
- the outcome of any arbitration or litigation;
- changes in sales volume or mix;
- the impact of price-adjustment factors on our sales contracts;
- the ability of our customers to meet their obligations to us on a timely basis or at all;
- our actual economic ore reserves or reductions in current resource estimates;
- the success of our business and growth strategies;
- our ability to successfully identify and consummate any strategic investments;
- our ability to achieve post-acquisition synergies;
- events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets;
- the results of pre-feasibility and feasibility studies in relation to projects;
- impacts of increasing governmental regulation including failure to receive or maintain required environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity;
- adverse changes in currency values, currency exchange rates and interest rates;
- the success of our cost-savings efforts;
- our ability to maintain adequate liquidity and successfully implement our financing plans;
- our ability to maintain appropriate relations with unions and employees;
- uncertainties associated with unanticipated geological conditions, natural disasters, weather conditions, supply and price of energy, equipment failures and other unexpected events;
- risks related to international operations;
- the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; and
- the risk factors referred to or described in the “Risk Factors” section of our documents filed with the Securities and Exchange Commission.

Reference is made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company’s Annual Report and Reports on Form 10-K, Form 10-Q and previous documents filed with the Securities and Exchange Commission, which are publicly available on Cliffs Natural Resources Inc.’s website. The information contained in this document speaks as of today and may be superseded by subsequent events.

We caution you that the foregoing list of important factors is not exclusive. In addition, in light of these risks and uncertainties, the matters referred to in our forward-looking statements may not occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law. We also strongly urge you to not rely on any single financial measure to evaluate our business.
The Cleveland Iron Mining Company was founded in 1847 following the first discovery of iron ore in the Great Lakes region near what is now Negaunee, Michigan in 1844. One of the earliest mines was the Jackson Mine pictured above circa 1860.
OUR MISSION
Cliffs will be a pre-eminient global producer of iron ore and other steel-related products. We will be known for our operational excellence, management expertise, and technological leadership.

We are dedicated to building value for our shareholders, partners, customers, and employees by:
• Increasing the competitiveness of our existing operations.
• Producing superior products, services, and innovative solutions for the steel industry.
• Providing a safe, challenging, and rewarding workplace.
• Extending Cliffs internationally.

We will conduct our business with fairness and integrity and the highest concern for environmental stewardship.

OUR CORE VALUES

Safe Production
Record production with: lack of injuries...good housekeeping and orderly work areas...well-maintained equipment...proper training and procedures...looking out for and correcting each other...safe conditions and behavior...Sentinel of Safety qualification

Customer Focus
Listening to the customer...being responsive and on time...meeting quality expectations...helping the customer succeed

Creating Economic Value
Doing the right things right the first time...elimination of waste and inefficiency...breakthroughs in productivity and technology

Bias for Action
Getting things done...reduced red tape...“barrierless”...call anybody you want...management by fact...plan the work, work the plan

Trust, Respect and Open Communication
Open access to information...constructive conflict...delegation to the appropriate level...toleration of failure in pursuit of business success...encouraging and accepting different views...feeling an obligation to explain your actions to those affected...gender and racial diversity

Group and Individual Accountability
Behaving in line with our core values...being responsible for our actions...providing plans/standards/expectations...holding yourself and/or the group to a high standard of performance...walk the talk

Integrity
Doing what you say you are going to do...no hidden agendas...doing the right thing...being truthful...zero tolerance not walking away from a situation...being credible

Teamwork
Actively involve others in decision-making...know when to take a leadership role and when to be an active member...recognize the value of teamwork and the synergy it creates

Recognize and Reward Achievement
Celebrating successes...stress training and development...an effective appraisal of performance...expressing a simple thank you

Environmental Stewardship
Going beyond compliance...being socially responsible...anticipating and addressing potential impacts before they occur...personal accountability...operating to preserve the environment for future generations
Cliffs’ Long-term Growth Strategy Remains Intact

CLIFFS’ LONG-TERM GROWTH STRATEGY (MINERALS AND GEOGRAPHIES)
Note: The volumes listed above represent Cliffs’ production capacity as reported in its 2011 Form 10-K, Q2 Form 10-Q and other corporate disclosures.
CLIFFS’ FORECASTED PRODUCT FLOW 2013

ONE GLOBAL COMMERCIAL FUNCTION
Megatrends are Affecting the Steel Industry
THREE MEGATRENDS ARE OCCURING AS WE SPEAK

• While North American demand is relatively stable, massive build-out of China, India and rest of BRICs will continue the ongoing shift in demand and wealth from the developed to emerging economies

• New supply will be delayed and arrive with higher capital costs
  ▪ Logistics more complex than ever
  ▪ Skilled labor is unavailable in needed quantities
  ▪ Resource nationalism on the rise
  ▪ Increasing regulatory burdens

• China and India will draw raw materials from all over the world

• Degrading quality in industrial minerals (iron ore, coking coal, copper, etc.) is an ongoing reality
Megatrend No.1
Continuing Build-out of Emerging Economies
EMERGENCE OF JAPAN AND CHINA HAVE DRIVEN GLOBAL STEEL CONSUMPTION GROWTH SINCE THE 1960s

Source: Cliffs Natural Resources; World Steel Organization; The World Bank; World Steel Association
Note: India comprises 4% of total steel consumption in 2010
THE URBANIZATION IN CHINA, INDIA AND AFRICA IS OF UNPRECEDENTED SCALE

- By 2020 developing countries will account for almost 80% of the world’s total urban population.
- The global growth is equal to adding the population of Mumbai every second month or Shanghai every third month.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Urban Population in China, India, and Africa (Million)</th>
<th>Total Population in Developed Countries (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>650</td>
<td>EU (~500), US (~370)</td>
</tr>
<tr>
<td>2010</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>2,350</td>
<td></td>
</tr>
</tbody>
</table>

Source: McKinsey & Company
CHINESE URBANIZATION WILL CONTINUE TO DRIVE STEEL CONSUMPTION GROWTH

NUMBER OF CITIES IN CHINA WITH AVERAGE DISPOSABLE INCOME OVER US$4,600

140 cities with 1m or more people currently. Number is expected to grow to 235 cities by 2025.

Source: EIU; “Putting BRIC growth in perspective”, Worldpress
Note: US$4,600 equivalent to RMB30,000
Although China has recently experienced strong growth in steel consumption, there is still potential for further growth.

**US AND CHINA: STEEL INTENSITY CURVES**

United States and China Steel Intensity Curves

**KEY**

- **China**
- **United States**

Source: Bloomberg, Worldsteel, IMF, USGS
Megatrend No.2
Supply Response is Delayed
NEW SUPPLY CHALLENGES

The barriers to entry are becoming higher as new supply is more challenging to bring into production.

New mining districts are remote and mature mining districts’ workforces are aging.

**LACK OF SKILLED LABOR**

**GEOPOLITICAL RISKS**

**CAPITAL INTENSITY**

**REGULATORY ENVIRONMENT**

**COMPLEX LOGISTICS**

**POTENTIAL IRON ORE PROJECTS IN WEST AFRICA**

- Guinea: 185 mtpa
- Mauritania: 86 mtpa
- Liberia: 53 mtpa
- Sierra Leone: 47mtpa

Regulatory environment has become more stringent in India, Brazil and Central Appalachia.

Average Iron Ore Project Cost of Annualized Production: ¹

- 2006: $50/ton
- 2010: $120/ton

Large scale ports and rails will need to be created or expanded to bring the new supply to market.

¹ Source: Macquarie
THERE IS A GROWING DEFICIT OF SKILLED LABOR IN THE MINING INDUSTRY GLOBALLY

<table>
<thead>
<tr>
<th>SUPPLY AND DEMAND GROWTH OF SKILLED LABOR AUSTRALIAN MINERALS SECTOR</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERCENT; CAGR 2005-15</strong></td>
<td><strong>ESTIMATE</strong></td>
</tr>
<tr>
<td><strong>Managers and administrators</strong></td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Professionals</strong></td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Technicians</strong></td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Trades-persons</strong></td>
<td>.8</td>
</tr>
<tr>
<td><strong>Semi-skilled workers</strong></td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Laborers and related workers</strong></td>
<td>-0.2</td>
</tr>
</tbody>
</table>

Source: Staffing the Supercycle: Labor Force Outlook in the Minerals Sector, 2005-2015 (Minerals Council of Australia); Canadian Mining Human Resourced Council; McKinsey analysis
AS RESOURCES ARE BECOMING MORE SCARCE, GOVERNMENTS ARE PLAYING A MORE ACTIVE ROLE

Governments are increasingly trying to reap benefits from domestic assets

Australia unveils mining tax

By James Grubel
CANBERRA | Sun May 2, 2010 4:24am EDT

(Reuters) – Australia’s government angered its booming resources sector on Sunday by unveiling a new tax on mining projects from July 2012 under a sweeping pre-election tax overhaul which will also boost pension savings for workers.

Source: Dealogic, RMG
Megatrend No.3
Declining Quality Ore Quality is an Ongoing Reality
DECLINING ORE GRADES AND THINNER SEAM THICKNESSES

• We believe declining ore grades will be a new challenge for mining companies looking ahead

• With the consolidation of the Chinese steel industry on the horizon, it is likely newer blast furnaces will be larger and more efficient, which will require a higher quality of ore

• Developed coal basins around the world are experiencing thinner seam thicknesses, making mining challenging and requiring significant capital

• As metallurgical coal prices remain high, higher quality iron ore is more desired
Iron Ore Quality Traded by Major Producers Is Trending Lower, With Important Implications For Steel And Raw Material Producers

- **Contained Iron By Product (% FE)**

<table>
<thead>
<tr>
<th>Product</th>
<th>1994-2003 Average</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product 1</td>
<td>67.5</td>
<td>66.0</td>
</tr>
<tr>
<td>Product 2</td>
<td>62.3</td>
<td>66.4</td>
</tr>
<tr>
<td>Product 3</td>
<td>64.0</td>
<td>65.2</td>
</tr>
<tr>
<td>Product 4</td>
<td>63.5</td>
<td>62.2</td>
</tr>
<tr>
<td>Product 5</td>
<td>61.7</td>
<td>58.6</td>
</tr>
<tr>
<td>Product 6</td>
<td>57.0</td>
<td>58.3</td>
</tr>
</tbody>
</table>

Quality was exceptionally stable between 1994 and 2003. Recent declines in quality are likely driven by supply response to fast growing Chinese demand i.e. ship anything and everything.

- Ongoing declines in Iron Ore quality will increase production requirement and worsen environmental footprint:
  - Quality decline will impact production volume required to maintain FE units
    - 1% reduction in quality every 5 years implies an additional 200mt of seaborne Iron Ore required between 2012 and 2020*
  - Higher volumes of metallurgical coal will be required to process lower grade material and CO2 emissions per tonne of steel will increase

- **Falling average industry quality level provide a favourable environment for high-quality pellet producers**
  - Appropriate quality lump will become increasingly scarce, which coupled with broader quality pressures will put upwards demand (and price) pressure on pellets

Source: Cliffs Analysis for current quality; Tex reports for 1994-2003 (excludes 1999)
Note: * Based on VCI “Base Case” cumulative seaborne demand of 15.3bt and 62% contained FE starting point in 2010
Cliffs is Capitalizing on Megatrends through Acquisitions, Partnering and Exploration to Meet the Needs of the Global Steel Industry
CLIFFS TECHNICAL EXPERTISE

- Knowledge about processing and beneficiation of low grade ores

- Mineralogy / Geology / Geometallurgy / Mine engineering

- Offering high grade products to optimize steelmakers’ efficiency
Cliffs manages approximately 33 million tons of high quality iron ore pellets at its U.S. operations.
- Equity interest of 24.3 million tons
- The majority of the pellet production is consumed in North America with some exports

Production (millions of ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (millions of ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>30.0</td>
</tr>
<tr>
<td>2008</td>
<td>31.0</td>
</tr>
<tr>
<td>2009</td>
<td>16.9</td>
</tr>
<tr>
<td>2010</td>
<td>28.1</td>
</tr>
<tr>
<td>2011</td>
<td>31.0</td>
</tr>
</tbody>
</table>
Cliffs has approximately 9.4 million tons of annual capacity:
- 6.5 million tons low volatile
- 1.7 million tons high volatile
- 1.2 million tons thermal

Cliffs exports approximately 50% of its annual production.
CLIFFS ASIA PACIFIC

• Cliffs’ Koolyanobbing Mine expansion from six to eight million metric tons per year was completed in 2006.
• An additional expansion program expected to increase annual production to 11 million metric tons is expected to be completion 2012.
• 100 percent Cliffs Asia Pacific production is exported to Asia.

Production (millions of tonnes)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (millions of tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8.4</td>
</tr>
<tr>
<td>2008</td>
<td>7.7</td>
</tr>
<tr>
<td>2009</td>
<td>8.3</td>
</tr>
<tr>
<td>2010</td>
<td>9.3</td>
</tr>
<tr>
<td>2011</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Port of Esperance, Western Australia
Cliffs operates one mine that produces iron ore concentrate facility in which it is a partner with WISCO, and one mine and pelletizing facility that produces and ships iron ore pellets.

Company currently produces 12 million tons and is ramping up to 28 million tons.

Access to Asian markets.

Established infrastructure with power, rail and port access capable of supporting growth profile.

Attractive development opportunities at Lamêlée and Peppler Lake.
EASTERN CANADIAN IRON ORE: NEW BLOOM LAKE OPERATIONS

**Mining**
- Open pit
- Drill and blast
- Load and haul

**Processing**
- Primary crushing
- Grinding
- Screening
- Spiral classification
- Filter de-watering

**Logistics**
- Eastern Canada location
- Load-out facility
- Additional rail capacity
- Adjacent port at Sept-Îles
• Cliffs intends to expand concentrate operations in Eastern Canada to 24mtpa by 2015 - 2016

• Crude ore to be sourced from Bloom Lake western resources and main pit to be extended

• Current year drilling campaign of West Bloom Lake deposit indicated significant resource\(^1\) exists

• Lamêlée and Peppler Lake reserves available for future expansion

\(^1\) Sufficient drilling to quantify resources under SEC proven & probable standards has not yet occurred.
OPEN-PIT MINE
(~4mtpa crude ore)

PROCESSING
FACILITY
(~1.3mtpa Concentrate to FeCr Facility)

CONCENTRATE TO MARKET
(1mtpa)

FeCr TO MARKET
(600ktpa)

North America

Asia

Europe

FeCr PRODUCTION FACILITY

CHROMITE PROJECT AND FUTURE CUSTOMERS
Recent acquisitions with leverage to the megatrends have provided the current production profile and growth.

**Strategic Milestones**
- Portman I
- Amapa
- Sonoma
- PinnOak
- Portman II
- United Taconite
- Wabush
- Freewest & Spider
- INR Energy’s Coal Operations
- Consolidated Thompson

**Revenue (in millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1.7 B</td>
</tr>
<tr>
<td>2006</td>
<td>$1.9 B</td>
</tr>
<tr>
<td>2007</td>
<td>$2.3 B</td>
</tr>
<tr>
<td>2008</td>
<td>$3.6 B</td>
</tr>
<tr>
<td>2009</td>
<td>$2.3 B</td>
</tr>
<tr>
<td>2010</td>
<td>$4.7 B</td>
</tr>
<tr>
<td>2011</td>
<td>Approximately $6.8 B</td>
</tr>
</tbody>
</table>
CLIFFS GLOBAL EXPLORATION ACTIVE COUNTRIES: THE THIRD LEG OF THE GROWTH STOOL

- 2011 Budget: Approximately $50 - $55 million
- North America; Peru, Brazil, Chile; Argentina; Mongolia and Australia
GLOBAL EXPLORATION: FIRST POINT’S DECAR NICKEL ALLOY PROPERTY

- Geology indicates potentially large resource conducive to an open-pit operation
- Products could include a nickel concentrate with simple process
- Resource definition and metallurgical studies underway

Small silver flakes are the targeted nickel in the deposit
Summary & Conclusion
LOOKING FORWARD, WE WILL CONTINUE PURSUING OUR HISTORIC STRATEGY SUPPORTED BY FUNDAMENTAL BELIEFS

Our reasons for the chosen strategy have been consistent over the past several years

- Guided by our understanding of the external environment (Megatrends)
- Informed by Cliffs’ competitive position and capabilities

Beliefs

- Relatively stable demand in North America
- Growing demand (BRIC economies) and increasing supply constraints (regulatory, cost), the mining sector represents outstanding return potential
- Significant scale is both achievable and necessary