HARRIS CORP /DE/
Form SC 13G/A
February 04, 2019

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No: 10)

HARRIS CORPORATION

(Name of Issuer)

Common Stock

(Title of Class of Securities)

413875105

(CUSIP Number)

December 31, 2018

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to
which this Schedule is filed:

[X] Rule 13d-1(b)
[ ] Rule 13d-1(c)
[ ] Rule 13d-1(d)

*The remainder of this cover page shall be filled out
for a reporting person's initial filing on this form with
respect to the subject class of securities, and for any
subsequent amendment containing information which
would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover
page shall not be deemed to be "filed" for the purpose
of Section 18 of the Securities Exchange Act of 1934
("Act") or otherwise subject to the liabilities of that
section of the Act but shall be subject to all other
provisions of the Act (however, see the Notes).

CUSIP No. 413875105

(1)Names of reporting persons. BlackRock, Inc.

(2) Check the appropriate box if a member of a group

(a) [ ]
(b) [X]

(3) SEC use only

(4) Citizenship or place of organization

Delaware

Number of shares beneficially owned by each reporting person with:

(5) Sole voting power

8708012

(6) Shared voting power

0

(7) Sole dispositive power

9560600

(8) Shared dispositive power

0

(9) Aggregate amount beneficially owned by each reporting person

9560600

(10) Check if the aggregate amount in Row (9) excludes certain shares

(11) Percent of class represented by amount in Row 9

8.1%

(12) Type of reporting person

HC

Item 1.

Item 1(a) Name of issuer:

HARRIS CORPORATION

Item 1(b) Address of issuer's principal executive offices:

1025 WEST NASA BOULEVARD
MELBOURNE FL 32919

Item 2.

2(a) Name of person filing:

BlackRock, Inc.

2(b) Address or principal business office or, if none, residence:

BlackRock, Inc.
55 East 52nd Street
New York, NY 10055

2(c) Citizenship:

See Item 4 of Cover Page

2(d) Title of class of securities:

Common Stock

2(e) CUSIP No.:
See Cover Page

Item 3.

If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:
[ ] Broker or dealer registered under Section 15 of the Act;
[ ] Bank as defined in Section 3(a)(6) of the Act;
[ ] Insurance company as defined in Section 3(a)(19) of the Act;
[ ] Investment company registered under Section 8 of the Investment Company Act of 1940;
[ ] An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
[ ] An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
[X] A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
[ ] A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
[ ] A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940;
[ ] A non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J);
[ ] Group, in accordance with Rule 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

Amount beneficially owned:

9560600

Percent of class

8.1%

Number of shares as to which such person has:

Sole power to vote or to direct the vote

8708012

Shared power to vote or to direct the vote

0

Sole power to dispose or to direct the disposition of

9560600

Shared power to dispose or to direct the disposition of

0

Item 5.

Ownership of 5 Percent or Less of a Class. If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following [ ].

Item 6. Ownership of More than 5 Percent on Behalf of Another Person

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than 5 percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the common stock of HARRIS CORPORATION. No one person's interest in the common stock of HARRIS CORPORATION is more than five percent of the total outstanding common shares.

Item 7. Identification and Classification of the Subsidiary Which
Acquired the Security Being Reported on by the Parent Holding
Company or Control Person.

See Exhibit A

Item 8. Identification and Classification of Members of the Group

If a group has filed this schedule pursuant to Rule 13d-1(b)(ii)(J),
so indicate under Item 3(j) and attach an exhibit stating the identity
and Item 3 classification of each member of the group. If a group
has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d),
attach an exhibit stating the identity of each member of the group.

Item 9. Notice of Dissolution of Group

Notice of dissolution of a group may be furnished as an exhibit
stating the date of the dissolution and that all further filings with
respect to transactions in the security reported on will be filed,
if required, by members of the group, in their individual capacity.

See Item 5.

Item 10. Certifications
By signing below I certify that, to the best of my knowledge and
belief, the securities referred to above were acquired and are
held in the ordinary course of business and were not acquired
and are not held for the purpose of or with the effect of changing
or influencing the control of the issuer of the securities and were
not acquired and are not held in connection with or as a participant
in any transaction having that purpose or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and
belief, I certify that the information set forth in this statement
is true, complete and correct.

Dated: February 4, 2019
BlackRock, Inc.

Signature: Spencer Fleming

Name/Title Attorney-In-Fact

The original statement shall be signed by each person on whose
behalf the statement is filed or his authorized representative.
If the statement is signed on behalf of a person by his authorized
representative other than an executive officer or general partner
of the filing person, evidence of the representative's authority to

sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

Subsidiary

BlackRock Life Limited
BlackRock International Limited
BlackRock Advisors, LLC
BlackRock (Netherlands) B.V.
BlackRock Institutional Trust Company, National Association
BlackRock Asset Management Ireland Limited
BlackRock Financial Management, Inc.
BlackRock Japan Co., Ltd.
BlackRock Asset Management Schweiz AG
BlackRock Investment Management, LLC
BlackRock Investment Management (UK) Limited
BlackRock Asset Management Canada Limited
BlackRock (Luxembourg) S.A.
BlackRock Investment Management (Australia) Limited
BlackRock Advisors (UK) Limited
BlackRock Fund Advisors
BlackRock Asset Management North Asia Limited
BlackRock (Singapore) Limited
BlackRock Fund Managers Ltd

*Entity beneficially owns 5% or greater of the outstanding shares of the security class being reported on this Schedule 13G.

Exhibit B

POWER OF ATTORNEY

The undersigned, BLACKROCK, INC., a corporation duly organized under the laws of the State of Delaware, United States (the "Company"), does hereby make, constitute and appoint each of Christopher Meade, Daniel Waltcher, Una Neary, Richard Cundiff, Charles Park, Enda McMahon, Arlene Klein, Con Tzatzakis, Karen Clark, David Maryles, Daniel Ronnen, John Stelley, Daniel Riemer, Elizabeth Kogut, Maureen Gleeson, Daniel Kalish and Spencer Fleming acting severally, as its true and lawful attorneys-in-fact, for the purpose of, from time to time, executing in its name and on its behalf, whether the Company individually or as representative of others, any and all documents, is acting certificates, instruments, statements, other filings and amendments to the foregoing (collectively, "documents") determined by such person to be necessary or appropriate to comply with ownership or control-person

reporting requirements imposed by any United States or non-United States governmental or regulatory authority, Including without limitation Forms 3, 4, 5, 13D, 13F, 13G and 13H and any amendments to any of the Foregoing as may be required to be filed with the Securities and Exchange Commission, and delivering, furnishing or filing any such documents with the appropriate governmental, regulatory authority or other person, and giving and granting to each such attorney-in-fact power and authority to act in the premises as fully and to all intents and purposes as the Company might or could do if personally present by one of its authorized signatories, hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Any such determination by an attorney-in-fact named herein shall be conclusively evidenced by such person's execution, delivery, furnishing or filing of the applicable document.

This power of attorney shall expressly revoke the power of attorney dated 8th day of December, 2015 in respect of the subject matter hereof, shall be valid from the date hereof and shall remain in full force and effect until either revoked in writing by the Company, or, in respect of any attorney-in-fact named herein, until such person ceases to be an employee of the Company or one of its affiliates.

IN WITNESS WHEREOF, the undersigned has caused this power of attorney to be executed as of this 2nd day of January, 2019.

BLACKROCK, INC.

By:_ /s/ Daniel Waltcher
Name: Daniel Waltcher
Title: Deputy General Counsel

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22.9

$
170.1

$
100.2

$
8.5

$
108.7

Eastern Canadian Iron Ore
62.6

44.2

106.8

96.2

43.0

139.2

Asia Pacific Iron Ore
36.7

37.2

73.9

57.2

21.6

78.8

North American Coal
36.7

49.0

85.7

19.7

110.5

130.2

Total
$
283.2

$
153.3

$
436.5

$
273.3

$
183.6

$
456.9

U.S. Iron Ore
The excess of current cost over LIFO cost of iron ore inventories was $122.2 million and $117.1 million at December 31, 2012 and 2011, respectively. As of December 31, 2012, the product inventory balance for U.S. Iron Ore increased, resulting in creation of a LIFO layer in 2012. The effect of the inventory build was an increase in Inventories of $47.5 million in the Statements of Consolidated Financial Position for the year ended December 31, 2012. As of December 31, 2011, the product inventory balance for U.S. Iron Ore declined, resulting in liquidation of LIFO layers in 2011. The effect of the inventory reduction was a decrease in Cost of goods sold and operating expenses of $15.2 million in the Statements of Consolidated Operations for the year ended December 31, 2011.

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Eastern Canadian Iron Ore

The excess of current cost over LIFO cost of iron ore inventories was $27.7 million and $21.9 million at December 31, 2012 and 2011, respectively. As of December 31, 2012, the iron ore pellet inventory balance for Eastern Canadian Iron Ore declined, resulting in liquidation of LIFO layers in 2012. The effect of the inventory reduction was a decrease in Cost of goods sold and operating expenses of $7.0 million in the Statements of Consolidated Operations. As of December 31, 2011, the product inventory balance for Eastern Canadian Iron Ore increased to $47.1 million, resulting in an additional LIFO layer being added during the year.

North American Coal

We recorded lower-of-cost-or-market inventory charges of $24.4 million, $6.6 million and $26.1 million in Cost of goods sold and operating expenses in the Statements of Consolidated Operations for the years ended December 31, 2012, 2011 and 2010, respectively. These charges were a result of market declines and operational and geological issues.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

The following table indicates the value of each of the major classes of our consolidated depreciable assets as of December 31, 2012 and 2011:

	(In Millions)	
	December 31,	
	2012	2011
Land rights and mineral rights	$7,920.8	$7,868.7
Office and information technology	92.4	66.8
Buildings	162.0	132.2
Mining equipment	1,290.7	1,323.8
Processing equipment	1,937.4	1,311.6
Railroad equipment	240.8	161.6
Electric power facilities	58.7	57.9
Port facilities	114.3	64.1
Interest capitalized during construction	20.8	22.5
Land improvements	43.9	30.4
Other	39.0	43.2
Construction in progress	1,123.9	612.8
	13,044.7	11,695.6
Allowance for depreciation and depletion	(1,837.4)	(1,291.5)
	$11,207.3	$10,404.1

We recorded depreciation expense of $293.5 million, $237.8 million and $165.4 million in the Statements of Consolidated Operations for the years ended December 31, 2012, 2011 and 2010, respectively.

The accumulated amount of capitalized interest included within construction in progress is $17.1 million of which $15.4 million was capitalized during 2012.

Due to lower than previously expected profits as a result of decreased iron ore pricing expectations and increased costs, we determined that indicators of impairment with respect to certain of our long-lived assets or asset groups existed at December 31, 2012. Our asset groups generally consist of the assets and liabilities of one or more mines, preparation plants and associated reserves for which the lowest level of identifiable cash flows largely are independent of cash flows of other mines, preparation plants and associated reserves.

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As a result of this assessment, we determined that the cash flows associated with our Eastern Canadian pelletizing operations were not sufficient to support the recoverability of the carrying value of these productive assets. Accordingly, during the fourth quarter of 2012, an asset impairment charge of $49.9 million was recorded as Impairment of goodwill and other long-lived assets in the Statements of Consolidated Operations related to the Wabush mine pelletizing operations reported in our Eastern Canadian Iron Ore operating segment. The fair value estimate was calculated using a market approach. There was no impairment of the dock facilities or the mine and concentrator long-lived assets that are part of the Wabush mine.

We did not record any other long-lived tangible and intangible assets impairment charges in 2012, 2011 or 2010, except for as discussed below in Discontinued Operations.

The net book value of the land rights and mineral rights as of December 31, 2012 and 2011 is as follows:

	(In Millions)	
	December 31,	
	2012	2011
Land rights	$46.4	$37.3
Mineral rights:		
Cost	$7,874.4	$7,831.4
Less depletion	727.0	516.0
Net mineral rights	$7,147.4	$7,315.4

Accumulated depletion relating to mineral rights, which was recorded using the unit-of-production method, is included in Cost of goods sold and operating expenses. We recorded depletion expense of $209.8 million, $159.7 million and $95.5 million in the Statements of Consolidated Operations for the years ended December 31, 2012, 2011 and 2010, respectively.

NOTE 6 - ACQUISITIONS AND OTHER INVESTMENTS

Acquisitions

We allocate the cost of acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. Any excess of cost over the fair value of the net assets acquired is recorded as goodwill.

Consolidated Thompson

On May 12, 2011, we completed our acquisition of Consolidated Thompson by acquiring all of the outstanding common shares of Consolidated Thompson for C$17.25 per share in an all-cash transaction, including net debt, pursuant to the terms of an arrangement agreement dated as of January 11, 2011. Upon the acquisition: (a) each outstanding Consolidated Thompson common share was acquired for a cash payment of C$17.25; (b) each outstanding option and warrant that was “in the money” was acquired for cancellation for a cash payment of C$17.25 less the exercise price per underlying Consolidated Thompson common share; (c) each outstanding performance share unit was acquired for cancellation for a cash payment of C$17.25; (d) all outstanding Quinto Mining Corporation rights to acquire common shares of Consolidated Thompson were acquired for cancellation for a cash payment of C$17.25 per underlying Consolidated Thompson common share; and (e) certain Consolidated Thompson management contracts were eliminated that contained certain change of control provisions for contingent payments upon termination. The acquisition date fair value of the consideration transferred totaled $4.6 billion. Our full ownership of Consolidated Thompson has been included in the consolidated financial statements since the acquisition date and the subsidiary CQIM is reported as a component of our Eastern Canadian Iron Ore segment.

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The acquisition of Consolidated Thompson reflects our strategy to build scale by owning expandable and exportable steelmaking raw material assets serving international markets. Through our acquisition of Consolidated Thompson, we now own and operate an iron ore mine and processing facility near Bloom Lake in Quebec, Canada that produces iron ore concentrate of high quality. WISCO is a 25 percent partner in the Bloom Lake mine. We also own additional development properties known as Labrador Trough South located in Quebec. All of these properties are in proximity to our existing Canadian operations and will allow us to leverage our port facilities and supply this iron ore to the seaborne market. The acquisition also is expected to further diversify our existing customer base.

The following table summarizes the consideration paid for Consolidated Thompson and the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. We finalized the purchase price allocation for the acquisition of Consolidated Thompson during the second quarter of 2012.

	(In Millions)		
	Initial Allocation	Final Allocation	Change
Consideration			
Cash	$4,554.0	$4,554.0	$—
Fair value of total consideration transferred	$4,554.0	$4,554.0	$—
Recognized amounts of identifiable assets acquired and liabilities assumed			
ASSETS:			
Cash	$130.6	$130.6	$—
Accounts receivable	102.8	102.4	(0.4)
Product inventories	134.2	134.2	—
Other current assets	35.1	35.1	—
Mineral rights	4,450.0	4,825.6	375.6
Property, plant and equipment	1,193.4	1,193.4	—
Intangible assets	2.1	2.1	—
Total identifiable assets acquired	6,048.2	6,423.4	375.2
LIABILITIES:			
Accounts payable	(13.6)	(13.6)	—
Accrued liabilities	(130.0)	(123.8)	6.2
Convertible debentures	(335.7)	(335.7)	—
Other current liabilities	(41.8)	(47.9)	(6.1)
Long-term deferred tax liabilities	(831.5)	(1,041.8)	(210.3)
Senior secured notes	(125.0)	(125.0)	—
Capital lease obligations	(70.7)	(70.7)	—
Other long-term liabilities	(25.1)	(32.8)	(7.7)
Total identifiable liabilities assumed	(1,573.4)	(1,791.3)	(217.9)
Total identifiable net assets acquired	4,474.8	4,632.1	157.3
Noncontrolling interest in Bloom Lake	(947.6)	(1,075.4)	(127.8)
Goodwill	1,026.8	997.3	(29.5)
Total net assets acquired	$4,554.0	$4,554.0	$—

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Included in the changes to the initial purchase price allocation for Consolidated Thompson, which was performed during the second quarter of 2011, are changes recorded in the first quarter of 2012, when we further refined the fair value of the assets acquired and liabilities assumed. The acquisition date fair value was adjusted to record a $16.4 million increase related to pre-acquisition date Quebec mining duties tax. We recorded $6.1 million and $10.3 million as increases to current and long-term liabilities, respectively. This resulted in a reduction of our calculated minimum distribution payable to the minority partner by $2.6 million. These adjustments resulted in a net $13.8 million increase to our goodwill during the period. As our fair value estimates remained materially unchanged from December 31, 2011, the immaterial adjustments made to the initial purchase price allocation during the first quarter of 2012 were recorded in that period. All other changes to the initial allocation were recorded retrospectively to the acquisition date. During the second quarter of 2012, no further adjustments were recorded when the allocation was finalized.

During 2011, subsequent to the initial purchase price allocation for Consolidated Thompson, we adjusted the fair values of the assets acquired and liabilities assumed. Based on this process, the acquisition date fair value of the Consolidated Thompson mineral rights, deferred tax liability and noncontrolling interest in Bloom Lake were adjusted to $4,825.6 million, $1,041.8 million and $1,075.4 million, respectively, in the revised purchase price allocation during the fourth quarter of 2011. The change in mineral rights was caused by further refinements to the valuation model, most specifically as it related to potential tax structures that have value from a market participant standpoint and the risk premium used in determining the discount rate. The change in the deferred tax liability primarily was a result of the movement in the mineral rights value and obtaining additional detail of the acquired tax basis in the acquired assets and liabilities. Finally, the change in the noncontrolling interest in Bloom Lake was due to the change in mineral rights and a downward adjustment to the discount for lack of control being used in the valuation. A complete comparison of the initial and final purchase price allocation has been provided in the table above.

The fair value of the noncontrolling interest in the assets acquired and liabilities assumed in Bloom Lake has been allocated proportionately, based upon WISCO's 25 percent interest in Bloom Lake. We then reduced the allocated fair value of WISCO's ownership interest in Bloom Lake to reflect the noncontrolling interest discount.

The $997.3 million of goodwill resulting from the acquisition was assigned to our Eastern Canadian Iron Ore business segment through the CQIM reporting unit. The goodwill recognized primarily is attributable to the proximity to our existing Canadian operations and potential for future expansion in Eastern Canada, which would allow us to leverage our port facilities and supply iron ore to the seaborne market. None of the goodwill will be deductible for income tax purposes. After performing our annual goodwill impairment test in the fourth quarter of 2012, we determined that the goodwill resulting from the acquisition was impaired as the carrying value exceeded its fair value. The impairment charge was recorded as Impairment of goodwill and other long-lived assets in the Statements of Consolidated Operations for the year ended December 31, 2012. Refer to NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES for further information.

Acquisition-related costs in the amount of $25.4 million have been charged directly to operations and are included within Consolidated Thompson acquisition costs in the Statements of Consolidated Operations for the year ended December 31, 2011. In addition, we recognized $15.7 million of deferred debt issuance costs, net of accumulated amortization of $1.9 million, associated with issuing and registering the debt required to fund the acquisition as of December 31, 2011. Of these costs, $1.7 million and $14.0 million, respectively, have been recorded in Other current assets and Other non-current assets in the Statements of Consolidated Financial Position at December 31, 2011. Upon the termination of the bridge credit facility that we entered into to provide a portion of the financing for Consolidated Thompson, $38.3 million of related debt issuance costs were recognized in Interest expense, net in the Statements of Consolidated Operations for the year ended December 31, 2011.

The Statements of Consolidated Operations for the year ended December 31, 2011 include incremental revenue of $571.0 million and income of $143.7 million related to the acquisition of Consolidated Thompson since the date of acquisition. Income during the period includes the impact of expensing an additional $59.8 million of costs due to stepping up the value of inventory in purchase accounting through Cost of goods sold and operating expenses for the year ended December 31, 2011.

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The following unaudited consolidated pro forma information summarizes the results of operations for the years ended December 31, 2011 and 2010, as if the Consolidated Thompson acquisition and the related financing had been completed as of January 1, 2010. The pro forma information gives effect to actual operating results prior to the acquisition. The unaudited consolidated pro forma information does not purport to be indicative of the results that actually would have been obtained if the acquisition of Consolidated Thompson had occurred as of the beginning of the periods presented or that may be obtained in the future.

	(In Millions, Except Per Common Share)	
	2011	2010
REVENUES FROM PRODUCT SALES AND SERVICES	$6,772.3	$4,784.6
NET INCOME (LOSS) ATTRIBUTABLE TO CLIFFS SHAREHOLDERS	$1,612.3	$912.5
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CLIFFS SHAREHOLDERS - BASIC	$11.50	$6.74
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CLIFFS SHAREHOLDERS - DILUTED	$11.43	$6.70

The 2011 pro forma Net Income (Loss) Attributable to Cliffs Shareholders was adjusted to exclude $69.6 million of Cliffs and Consolidated Thompson acquisition-related costs and $59.8 million of non-recurring inventory purchase accounting adjustments incurred during the year ended December 31, 2011. The 2010 pro forma Net Income (Loss) Attributable to Cliffs Shareholders was adjusted to include the $59.8 million of non-recurring inventory purchase accounting adjustments.

Wabush

On February 1, 2010, we acquired entities from our former partners that held their respective interests in Wabush, thereby increasing our ownership interest to 100 percent. Our full ownership of Wabush has been included in the consolidated financial statements since that date. The acquisition date fair value of the consideration transferred totaled $103.0 million, which consisted of a cash purchase price of $88.0 million and a working capital adjustment of $15.0 million. With Wabush’s 5.5 million tons of production capacity, acquisition of the remaining interest increased our Eastern Canadian Iron Ore equity production capacity by approximately 4.0 million tons and added more than 50 million tons of additional reserves in 2010. Furthermore, acquisition of the remaining interest has provided us additional access to the seaborne iron ore markets serving steelmakers in Europe and Asia.

Prior to the acquisition date, we accounted for our 26.8 percent interest in Wabush as an equity-method investment. We initially recognized an acquisition date fair value of the previous equity interest of $39.7 million, and a gain of $47.0 million as a result of remeasuring our prior equity interest in Wabush held before the business combination. The gain was recognized in the first quarter of 2010 and was included in Gain on acquisition of controlling interests in the Statements of Unaudited Condensed Consolidated Operations for the three months ended March 31, 2010.

In the months subsequent to the initial purchase price allocation, we further refined the fair values of the assets acquired and liabilities assumed. Additionally, we also continued to ensure our existing interest in Wabush was incorporating all of the book basis; including amounts recorded in Accumulated other comprehensive income (loss). Based on this process, the acquisition date fair value of the previous equity interest was adjusted to $38.0 million. The changes required to finalize the U.S. and Canadian deferred tax valuations and to incorporate additional information on assumed asset retirement obligations offset to a net decrease of $1.7 million in the fair value of the equity interest from the initial purchase price allocation. Thus, the gain resulting from the remeasurement of our prior equity interest, net of amounts previously recorded in Accumulated other comprehensive income (loss) of $20.3 million, was adjusted to $25.1 million for the period ended December 31, 2010.

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Under the business combination guidance in ASC 805, prior periods, beginning with the period of acquisition, are required to be revised to reflect changes to the original purchase price allocation. In accordance with this guidance, we retrospectively have recorded the adjustments to the fair value of the acquired assets and assumed liabilities and the resulting Goodwill and Gain on acquisition of controlling interests, made during the second half of 2010, back to the date of acquisition. We finalized the purchase price allocation for the acquisition of Wabush during the fourth quarter of 2010.

A comparison of the initial and final purchase price allocation has been provided in the following table.

	(In Millions)		
	Initial Allocation	Final Allocation	Change
Consideration			
Cash	$88.0	$88.0	$—
Working capital adjustments	15.0	15.0	—
Fair value of total consideration transferred	103.0	103.0	—
Fair value of Cliffs' equity interest in Wabush held prior to acquisition of remaining interest	39.7	38.0	(1.7)
	$142.7	$141.0	$(1.7)
Recognized amounts of identifiable assets acquired and liabilities assumed			
ASSETS:			
In-process inventories	$21.8	$21.8	$—
Supplies and other inventories	43.6	43.6	—
Other current assets	13.2	13.2	—
Mineral rights	85.1	84.4	(0.7)
Plant and equipment	146.3	147.8	1.5
Intangible assets	66.4	66.4	—
Other assets	16.3	19.3	3.0
Total identifiable assets acquired	392.7	396.5	3.8
LIABILITIES:			
Current liabilities	(48.1)	(48.1)	—
Pension and OPEB obligations	(80.6)	(80.6)	—
Mine closure obligations	(39.6)	(53.4)	(13.8)
Below-market sales contracts	(67.7)	(67.7)	—
Deferred taxes	(20.5)	—	20.5
Other liabilities	(8.9)	(8.8)	0.1
Total identifiable liabilities assumed	(265.4)	(258.6)	6.8
Total identifiable net assets acquired	127.3	137.9	10.6
Goodwill	15.4	3.1	(12.3)
Total net assets acquired	$142.7	$141.0	$(1.7)

The significant changes to the final purchase price allocation from the initial allocation primarily were due to the allocation of deferred taxes between the existing equity interest in Wabush and the acquired portion, and additional asset retirement obligations noted related to the Wabush operations.

Of the $66.4 million of acquired intangible assets, $54.7 million was assigned to the value of a utility contract that provides favorable rates compared with prevailing market rates and is being amortized on a 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 is anticipated to provide a fee to Wabush for rail traffic moving over Wabush lands and is being amortized over a 30-year period.

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The $3.1 million of goodwill resulting from the acquisition was assigned to our Eastern Canadian Iron Ore business segment. The goodwill recognized primarily is attributable to the mine's port access and proximity to the seaborne iron ore markets. None of the goodwill is expected to be deductible for income tax purposes. After performing our annual goodwill impairment test in the fourth quarter of 2012, we determined that the goodwill resulting from the acquisition was impaired as the carrying value exceeded its fair value. The impairment charge was recorded as Impairment of goodwill and other long-lived assets in the Statements of Consolidated Operations for the year ended December 31, 2012. Refer to NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES for further information.

Freewest

During 2009, we acquired 29 million shares, or 12.4 percent, of Freewest, a Canadian-based mineral exploration company focused on acquiring, exploring and developing high-quality chromite, gold and base- metal properties in Canada. On January 27, 2010, we acquired all of the remaining outstanding shares of Freewest for C$1.00 per share, including its interest in the Ring of Fire properties in Northern Ontario Canada, which comprise three premier chromite deposits. As a result of the transaction, our ownership interest in Freewest increased from 12.4 percent as of December 31, 2009 to 100 percent as of the acquisition date. Our full ownership of Freewest has been included in the consolidated financial statements since the acquisition date. The acquisition of Freewest is consistent with our strategy to broaden our geographic and mineral diversification and allows us to apply our expertise in open-pit mining and mineral processing to a chromite ore mineralization that could form the foundation of North America's only ferrochrome production operation. Total purchase consideration for the remaining interest in Freewest was approximately $185.9 million, comprised of the issuance of 0.0201 of our common shares for each Freewest share, representing a total of 4.2 million common shares or $173.1 million, and $12.8 million in cash. The acquisition date fair value of the consideration transferred was determined based upon the closing market price of our common shares on the acquisition date.

Prior to the acquisition date, we accounted for our 12.4 percent interest in Freewest as an available-for-sale equity security. The acquisition date fair value of the previous equity interest was $27.4 million, which was determined based upon the closing market price of the 29 million previously owned shares on the acquisition date. We recognized a gain of $13.6 million in the first quarter of 2010 as a result of remeasuring our ownership interest in Freewest held prior to the business acquisition. The gain is included in Gain on acquisition of controlling interests in the Statements of Consolidated Operations for the year ended December 31, 2010.

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The following table summarizes the consideration paid for Freewest and the fair values of the assets acquired and liabilities assumed at the acquisition date. We finalized the purchase price allocation in the fourth quarter of 2010. Under the business combination guidance in ASC 805, prior periods, beginning with the period of acquisition, are required to be revised to reflect changes to the original purchase price allocation. In accordance with this guidance, we retrospectively have recorded the adjustments to the fair value of the acquired assets and assumed liabilities and the resulting Goodwill, made during the fourth quarter of 2010, back to the date of acquisition. We adjusted the initial purchase price allocation for the acquisition of Freewest in the fourth quarter of 2010 as follows:

	(In Millions)		
	Initial Allocation	Final Allocation	Change
Consideration			
Equity instruments (4.2 million Cliffs common shares)	$173.1	$173.1	$—
Cash	12.8	12.8	—
Fair value of total consideration transferred	185.9	185.9	—
Fair value of Cliffs' ownership interest in Freewest held prior to acquisition of remaining interest	27.4	27.4	—
	$213.3	$213.3	$—
Recognized amounts of identifiable assets acquired and liabilities assumed			
ASSETS:			
Cash	$7.7	$7.7	$—
Other current assets	1.4	1.4	—
Mineral rights	252.8	244.0	(8.8)
Marketable securities	12.1	12.1	—
Total identifiable assets acquired	274.0	265.2	(8.8)
LIABILITIES:			
Accounts payable	(3.3)	(3.3)	—
Long-term deferred tax liabilities	(57.4)	(54.3)	3.1
Total identifiable liabilities assumed	(60.7)	(57.6)	3.1
Total identifiable net assets acquired	213.3	207.6	(5.7)
Goodwill	—	5.7	5.7
Total net assets acquired	$213.3	$213.3	$—

The significant changes to the final purchase price allocation from the initial allocation primarily were due to changes to the fair value adjustment for mineral rights that resulted from the finalization of certain assumptions used in the valuation models utilized to determine the fair values.

The $5.7 million of goodwill resulting from the finalization of the purchase price allocation was assigned to our Ferroalloys operating segment. The goodwill recognized primarily is attributable to obtaining a controlling interest in Freewest. None of the goodwill is expected to be deductible for income tax purposes. Refer to NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES for further information.

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Spider

During the second quarter of 2010, we commenced a formal cash offer to acquire all of the outstanding common shares of Spider, a Canadian-based mineral exploration company, for C$0.19 per share. As of June 30, 2010, we held 27.4 million shares of Spider, representing approximately four percent of its issued and outstanding shares. On July 6, 2010, all of the conditions to acquire the remaining common shares of Spider had been satisfied or waived, and we consequently acquired all of the common shares that validly were tendered as of that date. When combined with our prior ownership interest, the additional shares acquired increased our ownership percentage to 52 percent on the date of acquisition, representing a majority of the common shares outstanding on a fully diluted basis. Our 52 percent ownership of Spider was included in the consolidated financial statements since the July 6, 2010 acquisition date, and Spider was included as a component of our Ferroalloys operating segment. The acquisition date fair value of the consideration transferred totaled a cash purchase price of $56.9 million. Subsequent to the acquisition date, we extended the cash offer to permit additional shares to be tendered and taken up, thereby increasing our ownership percentage in Spider to 85 percent as of July 26, 2010. Effective October 6, 2010, we completed the acquisition of the remaining shares of Spider through an amalgamation, bringing our ownership percentage to 100 percent as of December 31, 2010. As noted above, through our acquisition of Freewest during the first quarter of 2010, we acquired an interest in the Ring of Fire properties in Northern Ontario, which comprise three premier chromite deposits. The Spider acquisition allowed us to obtain majority ownership of the "Big Daddy" chromite deposit, based on Spider's ownership percentage in this deposit of 26.5 percent at the time of the closing acquisition date.

Prior to the July 6, 2010 acquisition date, we accounted for our four percent interest in Spider as an available-for-sale equity security. The acquisition date fair value of the previous equity interest was $4.9 million, which was determined based upon the closing market price of the 27.4 million previously owned shares on the acquisition date. The acquisition date fair value of the 48 percent noncontrolling interest in Spider was estimated to be $51.9 million, which was determined based upon the closing market price of the 290.5 million shares of noncontrolling interest on the acquisition date.

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The following table summarizes the consideration paid for Spider and the fair values of the assets acquired and liabilities assumed at the acquisition date. We finalized the purchase price allocation in the fourth quarter of 2010. Under the business combination guidance in ASC 805, prior periods, beginning with the period of acquisition, are required to be revised to reflect changes to the original purchase price allocation. In accordance with this guidance, we retrospectively have recorded the adjustments to the fair value of the acquired assets and assumed liabilities and the resulting Goodwill, made during the fourth quarter of 2010, back to the date of acquisition. We adjusted the initial purchase price allocation for the acquisition of Spider in the fourth quarter of 2010 as follows:

	(In Millions)		
	Initial Allocation	Final Allocation	Change
Consideration			
Cash	$56.9	$56.9	$—
Fair value of total consideration transferred	56.9	56.9	—
Fair value of Cliffs' ownership interest in Spider held prior to acquisition of remaining interest	4.9	4.9	—
	$61.8	$61.8	$—
Recognized amounts of identifiable assets acquired and liabilities assumed			
ASSETS:			
Cash	$9.0	$9.0	$—
Other current assets	4.5	4.5	—
Mineral rights	31.0	35.3	4.3
Total identifiable assets acquired	44.5	48.8	4.3
LIABILITIES:			
Other current liabilities	(5.2)	(5.2)	—
Long-term deferred tax liabilities	(2.7)	(5.1)	(2.4)
Total identifiable liabilities assumed	(7.9)	(10.3)	(2.4)
Total identifiable net assets acquired	36.6	38.5	1.9
Goodwill	77.1	75.2	(1.9)
Noncontrolling interest in Spider	(51.9)	(51.9)	—
Total net assets acquired	$61.8	$61.8	$—

The significant changes to the final purchase price allocation from the initial allocation primarily were due to changes to the fair value adjustment for mineral rights that resulted from the finalization of certain assumptions used in the valuation models utilized to determine the fair values.

The $75.2 million of goodwill resulting from the acquisition was assigned to our Ferroalloys operating segment. The goodwill recognized primarily is attributable to obtaining majority ownership of the "Big Daddy" chromite deposit. When combined with the interest we acquired in the Ring of Fire properties through our acquisition of Freewest, we now control three premier chromite deposits in Northern Ontario, Canada. None of the goodwill is expected to be deductible for income tax purposes. Refer to NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES for further information.

CLCC

On July 30, 2010, we acquired the coal operations of privately owned INR and since that date, the operations acquired from INR have been conducted through our wholly owned subsidiary known as CLCC. Our full ownership of CLCC has been included in the consolidated financial statements since the acquisition date, and the subsidiary is reported as a component of our North American Coal segment. The acquisition date fair value of the consideration transferred totaled $775.9 million, which consisted of a cash purchase price of $757.0 million and a working capital adjustment of $18.9 million.

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CLCC is a producer of high-volatile metallurgical and thermal coal located in southern West Virginia. CLCC's operations include two underground continuous mining method metallurgical coal mines and one open surface thermal coal mine. The acquisition includes a metallurgical and thermal coal mining complex with a coal preparation and processing facility as well as a large, long-life reserve base with an estimated 59 million tons of metallurgical coal and 62 million tons of thermal coal. This reserve base increases our total global reserve base to over 166 million tons of metallurgical coal and over 67 million tons of thermal coal. This acquisition represented an opportunity for us to add complementary high-quality coal products and provided certain advantages, including among other things, long-life mine assets, operational flexibility and new equipment.

The following table summarizes the consideration paid for CLCC and the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. We finalized the purchase price allocation in the second quarter of 2011. Under the business combination guidance in ASC 805, prior periods, beginning with the period of acquisition, are required to be revised to reflect changes to the original purchase price allocation. In accordance with this guidance, we retrospectively have recorded the adjustments to the fair value of the acquired assets and assumed liabilities and the resulting Goodwill back to the date of acquisition. We adjusted the initial purchase price allocation for the acquisition of CLCC as follows:

	(In Millions)		
	Initial Allocation	Final Allocation	Change
Consideration			
Cash	$757.0	$757.0	—
Working capital adjustments	17.5	18.9	1.4
Fair value of total consideration transferred	$774.5	$775.9	$1.4
Recognized amounts of identifiable assets acquired and liabilities assumed			
ASSETS:			
Product inventories	$20.0	$20.0	$—
Other current assets	11.8	11.8	—
Land and mineral rights	640.3	639.3	(1.0)
Plant and equipment	111.1	112.3	1.2
Deferred taxes	16.5	15.9	(0.6)
Intangible assets	7.5	7.5	—
Other non-current assets	0.8	0.8	—
Total identifiable assets acquired	808.0	807.6	(0.4)
LIABILITIES:			
Current liabilities	(22.8)	(24.1)	(1.3)
Mine closure obligations	(2.8)	(2.8)	—
Below-market sales contracts	(32.6)	(32.6)	—
Total identifiable liabilities assumed	(58.2)	(59.5)	(1.3)
Total identifiable net assets acquired	749.8	748.1	(1.7)
Goodwill	24.7	27.8	3.1
Total net assets acquired	$774.5	$775.9	$1.4

As our fair value estimates remain materially unchanged from 2010, there were no significant changes to the purchase price allocation from the initial allocation reported during the third quarter of 2010.

Of the $7.5 million of acquired intangible assets, $5.4 million was assigned to the value of in-place permits and will be amortized on a straight-line basis over the life of the mine. The remaining $2.1 million was assigned to the value of favorable mineral leases and will be amortized on a straight-line basis over the corresponding mine life.

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The $27.8 million of goodwill resulting from the acquisition was assigned to our North American Coal business segment. The goodwill recognized primarily is attributable to the addition of complementary high-quality coal products to our existing operations and operational flexibility. None of the goodwill was expected to be deductible for income tax purposes. After performing our annual goodwill impairment test in the fourth quarter of 2011, we determined that the goodwill resulting from the acquisition was impaired as the carrying value exceeded its fair value. The impairment charge was recorded as Impairment of goodwill and other long-lived assets in the Statements of Consolidated Operations for the year ended December 31, 2011. NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES for further information.

With regard to each of the 2010 acquisitions discussed above, pro forma results of operations have not been presented because the effects of these business combinations, individually and in the aggregate, were not material to our consolidated results of operations.

NOTE 7 - DISCONTINUED OPERATIONS

The tables below set forth selected financial information related to assets and liabilities held for sale and operating results of our business classified as discontinued operations. Assets and liabilities held for sale represent the assets that are expected to be sold and liabilities expected to be assumed. While the reclassification of revenues and expenses related to discontinued operations for prior periods have no impact upon previously reported net income, the Statements of Consolidated Operations present the revenues and expenses that were reclassified from the specified line items to discontinued operations. The Sonoma operations were previously included in Other within our reportable segments.

The following table presents Statements of Consolidated Financial Position data of the Sonoma operations:

	(In Millions)	
	December 31,	
	2012	2011
ASSETS HELD FOR SALE		
Cash and cash equivalents	$—	$2.3
Accounts receivable	—	16.3
Inventories	—	18.8
Other current assets	—	2.0
Property, plant and equipment, net	—	120.5
Assets held for sale	$—	$159.9
LIABILITIES HELD FOR SALE		
Accounts payable	$—	$15.6
Accrued expenses	—	1.5
Environmental and mine closure obligations	—	8.8
Liabilities held for sale	$—	$25.9

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The following table presents detail of our operations related to our Sonoma operations in the Statements of Consolidated Operations:

	(In Millions)		
	Year Ended December 31,		
	2012	2011	2010
REVENUES FROM PRODUCT SALES AND SERVICES			
Product	$151.6	$230.4	$198.3
GAIN ON SALE FROM DISCONTINUED OPERATIONS, net of tax	38.0	—	—
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	(2.1)	38.6	25.6
INCOME (LOSS) and GAIN ON SALE FROM DISCONTINUED OPERATIONS, net of tax	$35.9	$38.6	$25.6

We recorded a gain of $38.0 million, net of $8.1 million in tax expense in Income (Loss) and Gain on Sale from Discontinued Operations, net of tax in the Statements of Consolidated Operations for the year ended December 31, 2012 related to our sale of the Sonoma operations, which was completed as of November 12, 2012. We recorded a loss from discontinued operations in 2012 of $2.1 million, net of $2.4 million in tax expense. This compares to income from discontinued operations of $38.6 million, net of $12.4 million in tax expense and $25.6 million, net of $11.0 million of tax expense, respectively, for the years ended December 31, 2011 and 2010.

NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES

Goodwill

Goodwill represents the excess purchase price paid over the fair value of the net assets of acquired companies and is not subject to amortization. We assign goodwill arising from acquired companies to the reporting units that are expected to benefit from the synergies of the acquisition. Our reporting units are either at the operating segment level or a component one level below our operating segments that constitutes a business for which management generally reviews production and financial results of that component. Decisions are often made as to capital expenditures, investments and production plans at the component level as part of the ongoing management of the related operating segment. We have determined that our Asia Pacific Iron Ore and Ferroalloys operating segments constitute separate reporting units, that our CQIM and Wabush mines within our Eastern Canadian Iron Ore operating segment constitute reporting units, that CLCC within our North American Coal operating segment constitutes a reporting unit and that our Northshore mine within our U.S. Iron Ore operating segment constitutes a reporting unit. Goodwill is allocated among and evaluated for impairment at the reporting unit level in the fourth quarter of each year or as circumstances occur that potentially indicate that the carrying amount of these assets may exceed their fair value.

During the fourth quarter of 2012, upon performing our annual goodwill impairment test, a goodwill impairment charge of $997.3 million was recorded for our CQIM reporting unit within the Eastern Canadian Iron Ore operating segment. The impairment charge for our CQIM reporting unit was driven by the project's lower than anticipated long-term profitability coupled with delays in achieving full operational capacity and and higher capital and operating costs. Additionally, the announced delay of the Phase II expansion of the Bloom Lake mine also contributed to the impairment.

Additionally, a goodwill impairment charge of $2.7 million was recorded for our Wabush reporting unit. This charge was primarily a result of downward long-term pricing estimates and increased costs.

After performing our annual goodwill impairment test in the fourth quarter of 2011, we determined that $27.8 million of goodwill associated with our CLCC reporting unit was impaired as the carrying value with this reporting unit exceeded its fair value. The fair value was determined using a combination of a discounted cash flow model and valuations of comparable businesses. The impairment charge for the CLCC reporting unit was driven by our overall outlook on coal pricing in light of economic conditions, increases in our anticipated

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costs to bring the Lower War Eagle mine into production and increases in our anticipated sustaining capital cost for the lives of the CLCC mines that are currently operating.
No other goodwill impairment charges were identified in connection with our annual goodwill impairment tests in 2012 and 2011.
Refer to NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS for further information.
The following table summarizes changes in the carrying amount of goodwill allocated by operating segment for the year ended December 31, 2012 and the year ended December 31, 2011:

	(In Millions)											
	December 31, 2012						December 31, 2011					
	U.S. Iron Ore	Eastern Canadian Iron Ore	Asia Pacific Iron Ore	North American Coal	Other	Total	U.S. Iron Ore	Eastern Canadian Iron Ore	Asia Pacific Iron Ore	North American Coal	Other	Total
Beginning Balance	$2.0	$986.2	$83.0	$—	$80.9	$1,152.1	$2.0	$3.1	$82.6	$27.9	$80.9	$196.5
Arising in business combinations	—	13.8	—	—	—	13.8	—	983.5	—	(0.1)	—	983.4
Impairment	—	(1,000.0)	—	—	—	(1,000.0)	—	—	—	(27.8)	—	(27.8)
Impact of foreign currency translation	—	—	1.5	—	—	1.5	—	—	0.4	—	—	0.4
Other	—	—	—	—	—	—	—	(0.4)	—	—	—	(0.4)
Ending Balance	$2.0	$—	$84.5	$—	$80.9	$167.4	$2.0	$986.2	$83.0	$—	$80.9	$1,152.1
Accumulated Goodwill Impairment Loss	$—	$(1,000.0)	$—	$(27.8)	$—	$(1,027.8)	$—	$—	$—	$(27.8)	$—	$(27.8)

Other Intangible Assets and Liabilities
Following is a summary of intangible assets and liabilities as of December 31, 2012 and December 31, 2011:

		(In Millions)					
		December 31, 2012			December 31, 2011		
	Classification	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:							
Permits	Intangible assets, net	$136.1	$(31.7)	$104.4	$134.3	$(23.2)	$111.1
Utility contracts	Intangible assets, net	54.7	(32.4)	22.3	54.7	(21.3)	33.4
Leases	Intangible assets, net	5.7	(3.4)	2.3	5.5	(3.0)	2.5
Total intangible assets		$196.5	$(67.5)	$129.0	$194.5	$(47.5)	$147.0
Below-market sales contracts	Other current liabilities	$(46.0)	$—	$(46.0)	$(77.0)	$24.3	$(52.7)

Below-market sales contracts	Other liabilities	(250.7)	181.6	(69.1)	(252.3)	140.5	(111.8)
Total below-market sales contracts		$(296.7)	$181.6	$(115.1)	$(329.3)	$164.8	$(164.5)

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Amortization expense relating to intangible assets was $22.5 million, $17.7 million, and $18.8 million, respectively, for the years ended December 31, 2012, 2011, and 2010, and is recognized in Cost of goods sold and operating expenses in the Statements of Consolidated Operations. The estimated amortization expense relating to intangible assets for each of the five succeeding years is as follows:

	(In Millions) Amount
Year Ending December 31	
2013	$17.9
2014	17.9
2015	6.0
2016	6.0
2017	6.0
Total	$53.8

The below-market sales contracts are classified as a liability and recognized over the terms of the underlying contracts, which have remaining lives ranging from one to four years. For the years ended December 31, 2012, 2011, and 2010, we recognized $46.3 million, $57.0 million, and $62.4 million, respectively, in Product revenues related to the below-market sales contracts. The following amounts are estimated to be recognized in Product revenues for each of the five succeeding fiscal years:

	(In Millions) Amount
Year Ending December 31	
2013	$46.0
2014	23.1
2015	23.0
2016	23.0
2017	—
Total	$115.1

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NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following represents the assets and liabilities of the Company measured at fair value at December 31, 2012 and 2011:

Description	(In Millions) December 31, 2012 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Assets:					
Cash equivalents	$ 100.0	$—	$—		$ 100.0
Derivative assets	—	—	62.4		62.4
International marketable securities	27.0	—	—		27.0
Foreign exchange contracts	—	16.2	—		16.2
Total	$ 127.0	$ 16.2	$ 62.4		$ 205.6
Liabilities:					
Derivative liabilities	$—	$—	$ 11.3		$ 11.3
Foreign exchange contracts	—	1.9	—		1.9
Total	$—	$ 1.9	$ 11.3		$ 13.2

Description	(In Millions) December 31, 2011 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Assets:					
Cash equivalents	$ 351.2	$—	$—		$ 351.2
Derivative assets	—	—	157.9	(1)	157.9
International marketable securities	27.1	—	—		27.1
Foreign exchange contracts	—	8.0	—		8.0
Total	$ 378.3	$ 8.0	$ 157.9		$ 544.2
Liabilities:					
Derivative liabilities	$—	$—	$ 19.5		$ 19.5
Foreign exchange contracts	—	3.5	—		3.5
Total	$—	$ 3.5	$ 19.5		$ 23.0

(1) Derivative assets include $83.8 million classified as Accounts receivable in the Statements of Consolidated Financial Position as of December 31, 2011. Refer to NOTE 3 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Financial assets classified in Level 1 at December 31, 2012 and 2011 include money market funds and available-for-sale marketable securities. The valuation of these instruments is based upon unadjusted quoted prices for identical assets in active markets.

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The valuation of financial assets and liabilities classified in Level 2 is determined using a market approach based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable. Level 2 securities primarily include derivative financial instruments valued using financial models that use as their basis readily observable market parameters. At December 31, 2012 and December 31, 2011, such derivative financial instruments included our existing foreign currency exchange contracts. The fair value of the foreign currency exchange contracts is based on forward market prices and represents the estimated amount we would receive or pay to terminate these agreements at the reporting date, taking into account creditworthiness, nonperformance risk and liquidity risks associated with current market conditions.

The derivative financial assets classified within Level 3 at December 31, 2012 and December 31, 2011 included a freestanding derivative instrument related to certain supply agreements with one of our U.S. Iron Ore customers. The agreements include provisions for supplemental revenue or refunds based on the customer's annual steel pricing at the time the product is consumed in the customer's blast furnaces. We account for this provision as a derivative instrument at the time of sale and adjust this provision to fair value as an adjustment to Product revenues each reporting period until the product is consumed and the amounts are settled. The fair value of the instrument is determined using a market approach based on an estimate of the annual realized price of hot-rolled steel at the steelmaker's facilities, and takes into consideration current market conditions and nonperformance risk.

The Level 3 derivative assets and liabilities at December 31, 2012 also consisted of derivatives related to certain provisional pricing arrangements with our U.S. Iron Ore and Eastern Canadian Iron Ore customers. These provisional pricing arrangements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final sales price to be based on market inputs at a specified point in time in the future, per the terms of the supply agreements. The difference between the provisionally agreed-upon price and the estimated final sales price is characterized as a derivative and is required to be accounted for separately once the revenue has been recognized. The derivative instrument is adjusted to fair value through Product revenues each reporting period based upon current market data and forward-looking estimates provided by management until the final sales price is determined.

In the second quarter of 2011, we revised the inputs used to determine the fair value of these derivatives to include 2011 published pricing indices and settlements realized by other companies in the industry. Prior to this change, the fair value primarily was determined based on significant unobservable inputs to develop the forward price expectation of the final price settlement for 2011. Based on these changes to the inputs used in the determination of the fair value, we transferred $20.0 million of derivative assets from a Level 3 classification to a Level 2 classification within the fair value hierarchy in the second quarter of 2011.

Due to revisions to the terms of certain of our customer supply agreements that were initiated during the fourth quarter of 2011, the fair value determination for these derivatives was primarily based on significant unobservable inputs to develop the forward price expectation of the final price settlement for 2011. Based on these changes to the determination of the fair value, we transferred $49.0 million of derivative assets from a Level 2 classification to a Level 3 classification within the fair value hierarchy in the fourth quarter of 2011. The fair value of our derivatives was determined using a market approach and takes into account current market conditions and other risks, including nonperformance risk.

The Level 3 derivative assets and liabilities at December 31, 2011 also consisted of derivatives related to certain supply agreements with our U.S. Iron Ore and Eastern Canadian Iron Ore customers. In some instances we were still working to revise components of the pricing calculations referenced within our supply agreements to incorporate new market inputs to the pricing mechanisms as a result of the elimination of historical benchmark pricing. As a result, we recorded certain shipments made to our U.S. Iron Ore and Eastern Canadian Iron Ore customers based on an agreed-upon provisional price with the customer until final settlement on the market inputs to the pricing mechanisms were finalized. The lack of agreed-upon market inputs resulted in these pricing provisions being characterized as derivatives. The derivative instrument, which were settled and billed or credited once the determinations of the market inputs to the pricing mechanisms were finalized, was adjusted to fair value through Product revenues each reporting period

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based upon current market data and forward-looking estimates determined by management. The pricing provisions were characterized as freestanding derivatives and were required to be accounted for separately once product was shipped. The derivative instrument, which was settled and billed once final pricing settlement was reached, was marked to fair value as a revenue adjustment each reporting period. For the year ended December 31, 2012, we did not have any supply agreements in which components of the pricing calculations were still being finalized. As such, at December 31, 2012, no shipments were recorded based upon contracts with undetermined pricing calculations as all outstanding were settled during the year.

The following table illustrates information about quantitative inputs and assumptions for the derivative assets and derivative liabilities categorized in Level 3 of the fair value hierarchy:

Qualitative/Quantitative Information About Level 3 Fair Value Measurements

($ in millions)	Fair Value at 12/31/2012	Balance Sheet Location	Valuation Technique	Unobservable Input	Range (Weighted Average)
Provisional Pricing Arrangements	$3.5	Derivative assets	Market Approach	Managements Estimate of 62% Fe	$115 - $130 ($120)
	$11.3	Other current liabilities			
Customer Supply Agreement	$58.9	Derivative assets	Market Approach	Hot-Rolled Steel Estimate	$605 - $660 ($635)

The significant unobservable input used in the fair value measurement of the reporting entity’s provisional pricing arrangements is management’s estimate of 62 percent Fe price that is estimated based upon current market data, including historical seasonality and forward-looking estimates determined by management. Significant increases or decreases in this input would result in a significantly higher or lower fair value measurement, respectively.

The significant unobservable input used in the fair value measurement of the reporting entity’s customer supply agreements is the future hot-rolled steel price that is estimated based on current market data, analysts' projections, projections provided by the customer and forward-looking estimates determined by management. Significant increases or decreases in this input would result in a significantly higher or lower fair value measurement, respectively.

These significant estimates are determined by a collaboration of our commercial, finance and treasury departments and are reviewed by management.

Substantially all of the financial assets and liabilities are carried at fair value or contracted amounts that approximate fair value.

We recognize any transfers between levels as of the beginning of the reporting period, including both transfers into and out of levels. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2012 and 2011. As noted above, there was a transfer from Level 3 to Level 2 and a transfer from Level 2 to Level 3 in 2011, as reflected in the table below. The following table represents a reconciliation of the changes in fair value of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2012 and 2011.

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	(In Millions) Derivative Asset (Level 3) Year Ended December 31,		Derivative Liabilities (Level 3) Year Ended December 31,	
	2012	2011	2012	2011
Beginning balance - January 1	$157.9	$45.6	$(19.5)	$—
Total gains				
Included in earnings	174.9	403.0	(11.3)	(19.5)
Included in other comprehensive income	—	—	—	—
Settlements	(270.4)	(319.7)	19.5	—
Transfers into Level 3	—	49.0	—	—
Transfers out of Level 3	—	(20.0)	—	—
Ending balance - December 31	$62.4	$157.9	$(11.3)	$(19.5)
Total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) on assets (liabilities) still held at the reporting date	$174.9	$403.0	$(11.3)	$(19.5)

Gains and losses included in earnings are reported in Product revenues in the Statements of Consolidated Operations for the years ended December 31, 2012 and 2011.

The carrying amount for certain financial instruments (e.g. Accounts receivable, net, Accounts payable and Accrued expenses) approximate fair value and, therefore, have been excluded from the table below. A summary of the carrying amount and fair value of other financial instruments at December 31, 2012 and 2011 were as follows:

		(In Millions) December 31, 2012		December 31, 2011	
	Classification	Carrying Value	Fair Value	Carrying Value	Fair Value
Other receivables:					
Customer supplemental payments	Level 2	$22.3	$21.3	$22.3	$20.8
ArcelorMittal USA—Receivable	Level 2	19.3	21.3	26.5	30.7
Other	Level 2	10.9	10.9	10.0	10.0
Total receivables		$52.5	$53.5	$58.8	$61.5
Long-term debt:					
Term loan—$1.25 billion	Level 2	$753.0	$753.0	$897.2	$897.2
Senior notes—$700 million	Level 2	699.4	759.4	699.3	726.4
Senior notes—$1.3 billion	Level 2	1,289.4	1,524.7	1,289.2	1,399.4
Senior notes—$400 million	Level 2	398.2	464.3	398.0	448.8
Senior notes—$325 million	Level 2	—	—	325.0	348.7
Senior notes—$500 million	Level 2	495.7	528.4	—	—
Revolving loan	Level 2	325.0	325.0	—	—
Total long-term debt		$3,960.7	$4,354.8	$3,608.7	$3,820.5

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The fair value of the receivables and debt are based on the fair market yield curves for the remainder of the term expected to be outstanding.

The terms of one of our U.S. Iron Ore pellet supply agreements require supplemental payments to be paid by the customer during the period 2009 through 2013, with the option to defer a portion of the 2009 monthly amount up to $22.3 million in exchange for interest payments until the deferred amount is repaid in 2013. Interest is payable by the customer quarterly and began in September 2009 at the higher of 9 percent or the prime rate plus 350 basis points. As of December 31, 2012, the receivable of $22.3 million classified as current was recorded in Other current assets as all supplemental payments to be paid by the customer are due within one year. As of December 31, 2011, a receivable of $22.3 million was recorded in Other non-current assets in the Statements of Consolidated Financial Position reflecting the terms of this deferred payment arrangement. The fair value of the receivable of $21.3 million and $20.8 million at December 31, 2012 and 2011, respectively, is based on a discount rate of 2.81 percent and 4.50 percent, respectively, which represents the estimated credit-adjusted risk-free interest rate for the period the receivable is outstanding.

In 2002, we entered into an agreement with Ispat that restructured the ownership of the Empire mine and increased our ownership from 46.7 percent to 79.0 percent in exchange for the assumption of all mine liabilities. Under the terms of the agreement, we indemnified Ispat from obligations of Empire in exchange for certain future payments to Empire and to us by Ispat of $120.0 million, recorded at a present value of $19.3 million and $26.5 million at December 31, 2012 and 2011, respectively, of which $10.0 million was recorded in Other current assets for each respective period. The fair value of the receivable of $21.3 million and $30.7 million at December 31, 2012 and 2011, respectively, is based on a discount rate of 2.85 percent and 2.58 percent, respectively, which represents the estimated credit-adjusted risk-free interest rate for the period the receivable is outstanding.

The fair value of long-term debt was determined using quoted market prices or discounted cash flows based upon current borrowing rates. The term loan and revolving loan are variable rate interest and approximate fair value. See NOTE 10 - DEBT AND CREDIT FACILITIES for further information.

Items Measured at Fair Value on a Non-Recurring Basis

The following table presents information about the impairment charges on both financial and nonfinancial assets that were measured on a fair value basis for the years ended December 31, 2012. The table also indicates the fair value hierarchy of the valuation techniques used to determine such fair value.

	(In Millions)				
	December 31, 2012				
Description	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Total Losses
Assets:					
Goodwill impairment - CQIM reporting unit	$—	$—	$—	$—	$997.3
Goodwill impairment - Wabush reporting unit	—	—	—	—	2.7
Other long-lived assets - Property, plant and equipment	—	—	—	—	49.9
Investment in ventures impairment - Amapá	—	—	72.5	72.5	365.4
Total	$—	$—	$72.5	$72.5	$1,415.3

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Financial Assets

On December 27, 2012, the Board of Directors approved the sale of our 30 percent investment in Amapá, which is recorded as an equity method investment in our Statements of Consolidated Operations. The carrying value of the investment was reduced to fair value of $72.5 million as of December 31, 2012, resulting in an impairment charge of $365.4 million. We believe the sum of the sale proceeds approximates fair value. The fair value of the proceeds (and therefore the portion of the equity method investment measured at fair value) was determined using a probability-weighted cash flow approach.

Non-Financial Assets

We recorded an impairment charge within our Eastern Canadian Iron Ore segment to reduce the carrying value of the CQIM reporting unit's goodwill to zero. This impairment charge was determined by our analysis of the fair value of the CQIM reporting unit using the estimated expected present value of future cash flows, as well as reference to observable market transactions in determining the value of the pre-production resources. The present value of the reporting unit's future cash flows was calculated using an after-tax weighted average cost of capital. The value of the reporting unit's pre-production resources was determined with reference to implied valuations per ton of market transactions and applied to our estimated pre-production resource base. Based on our review of the fair value hierarchy, the inputs used in these fair value measurements were considered Level 3 inputs.

We reported an additional impairment charge of $2.7 million within our Eastern Canadian Iron Ore segment to reduce the carrying value of the Wabush reporting unit's goodwill to zero. The estimate of the fair value of goodwill was determined based on the estimated expected present value of the future cash flows, discounted using an after-tax weighted average cost of capital. Based on our review of the fair value hierarchy, the inputs used in these fair value measurements were considered Level 3 inputs.

We also recorded an impairment charge related to our Eastern Canadian pelletizing operations to reduce those assets' to their estimated fair value as we determined that the cash flows associated with our Eastern Canadian pelletizing operations were not sufficient to support the recoverability of the carrying value of these productive assets. Fair value was determined based on management's estimate of liquidation value, considering present condition and location of these assets, as well as estimated costs to transport, which are considered Level 3 inputs, and resulted in a charge of $49.9 million.

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NOTE 10 - DEBT AND CREDIT FACILITIES

The following represents a summary of our long-term debt as of December 31, 2012 and 2011:

($ in Millions)

December 31, 2012

Debt Instrument	Type	Annual Effective Interest Rate	Final Maturity	Total Face Amount		Total Debt	
$1.25 Billion Term Loan	Variable	1.83%	2016	$ 847.1	(1)	$ 847.1	(1)
$700 Million 4.875% 2021 Senior Notes	Fixed	4.88%	2021	700.0		699.4	(2)
$1.3 Billion Senior Notes:							
$500 Million 4.80% 2020 Senior Notes	Fixed	4.80%	2020	500.0		499.2	(3)
$800 Million 6.25% 2040 Senior Notes	Fixed	6.25%	2040	800.0		790.2	(4)
$400 Million 5.90% 2020 Senior Notes	Fixed	5.90%	2020	400.0		398.2	(5)
$500 Million 3.95% 2018 Senior Notes	Fixed	4.14%	2018	500.0		495.7	(6)
$1.75 Billion Credit Facility:							
Revolving Loan	Variable	2.02%	2017	1,750.0		325.0	(7)
Total debt				$ 5,497.1		$ 4,054.8	
Less current portion						94.1	
Long-term debt						$ 3,960.7	

($ in Millions)

December 31, 2011

Debt Instrument	Type	Annual Effective Interest Rate	Final Maturity	Total Face Amount		Total Debt	
$1.25 Billion Term Loan	Variable	1.40%	2016	$ 972.0	(1)	$ 972.0	(1)
$700 Million 4.875% 2021 Senior Notes	Fixed	4.88%	2021	700.0		699.3	(2)
$1.3 Billion Senior Notes:							
$500 Million 4.80% 2020 Senior Notes	Fixed	4.80%	2020	500.0		499.1	(3)
$800 Million 6.25% 2040 Senior Notes	Fixed	6.25%	2040	800.0		790.1	(4)
$400 Million 5.90% 2020 Senior Notes	Fixed	5.90%	2020	400.0		398.0	(5)
$325 Million Private Placement Senior Notes:							
Series 2008A - Tranche A	Fixed	6.31%	2013	270.0		270.0	
Series 2008A - Tranche B	Fixed	6.59%	2015	55.0		55.0	
$1.75 Billion Credit Facility:							
Revolving Loan	Variable	—%	2016	1,750.0		—	(7)
Total debt				$ 5,447.0		$ 3,683.5	
Less current portion						74.8	
Long-term debt						$ 3,608.7	

(1) As of December 31, 2012 and December 31, 2011, $402.8 million and $278.0 million, respectively, had been paid down on the original $1.25 billion term loan and, of the remaining term loan, $94.1 million and $74.8 million, respectively, was classified as Current portion of debt. The current classification is based upon the principal payment terms of the arrangement requiring principal payments on each three-month anniversary following the funding of the term loan.

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(2) As of December 31, 2012 and December 31, 2011, the $700 million 4.88 percent senior notes were recorded at a par value of $700 million less unamortized discounts of $0.6 million and $0.7 million, respectively, based on an imputed interest rate of 4.89 percent.

(3) As of December 31, 2012 and December 31, 2011, the $500 million 4.80 percent senior notes were recorded at a par value of $500 million less unamortized discounts of $0.8 million and $0.9 million, respectively, based on an imputed interest rate of 4.83 percent.

(4) As of December 31, 2012 and December 31, 2011, the $800 million 6.25 percent senior notes were recorded at par value of $800 million less unamortized discounts of $9.8 million and $9.9 million, respectively, based on an imputed interest rate of 6.38 percent.

(5) As of December 31, 2012 and December 31, 2011, the $400 million 5.90 percent senior notes were recorded at a par value of $400 million less unamortized discounts of $1.8 million and $2.0 million, respectively, based on an imputed interest rate of 5.98 percent.

(6) As of December 31, 2012, the $500 million 3.95 percent senior notes were recorded at a par value of $500 million less unamortized discounts of $4.3 million, based on an imputed interest rate of 4.14 percent.

(7) As of December 31, 2012 and December 31, 2011, $325.0 million and no revolving loans were drawn under the credit facility, respectively, and the principal amount of letter of credit obligations totaled $27.7 million and $23.5 million for each period, respectively, thereby reducing available borrowing capacity to $1.4 billion and $1.7 billion for each period, respectively.

Credit Facility

On August 11, 2011, we entered into a five-year unsecured amended and restated multicurrency credit agreement, or amended credit agreement, with a syndicate of financial institutions in order to amend the terms of our existing multicurrency credit agreement. On October 16, 2012, we executed an amendment to our revolving credit facility extending the maturity date from August 11, 2016 to October 16, 2017. The former $800 million multicurrency credit agreement consisted of a $600 million revolving credit facility and a $200 million term loan. The $200 million term loan was paid in its entirety in March 2010, reducing the multicurrency credit agreement to a $600 million revolving credit facility. The amended credit agreement provides for, among other things, a $1.75 billion revolving credit facility and allows for the designation of certain foreign subsidiaries as borrowers under the amended credit agreement, if certain conditions are satisfied. Borrowings under the amended credit agreement bear 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 amended credit agreement. Previously, we had amended the terms of our $800 million multicurrency credit agreement, effective October 29, 2009. The 2009 amendment resulted in, among other things, an increase in the sub-limit for letters of credit from $50 million to $150 million, the addition of multi-currency letters of credit, and more liberally defined financial covenants and debt restrictions. An increase of 50 basis points to the annual LIBOR margin resulted from this 2009 amendment.

Proceeds from the amended credit agreement are 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 amended credit agreement by an additional amount of up to $250 million by obtaining the agreement of the existing financial institutions to increase their lending commitments or by adding additional lenders.

As of December 31, 2012, $325.0 million in loans were drawn under the revolving credit facility. The weighted average annual interest rate under the revolving credit facility was 2.02 percent as of December 31, 2012.

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As a condition of agreeing to the amended credit agreement terms, $250 million was drawn against the revolving credit facility on August 11, 2011, in order to pay down a portion of the term loan. All amounts outstanding under the revolving credit facility were repaid in full on December 12, 2011, and as such no revolving loans were drawn under the credit facility as of December 31, 2011. The weighted average annual interest rate under the revolving credit facility during the time the borrowings were outstanding was 1.84 percent.

Loans are drawn with a choice of interest rates and maturities, subject to the terms of the agreement. Under the amended credit agreement described above, interest rates could be (1) for Eurocurrency loans, a range from LIBOR plus 0.75 percent to 2.00 percent based on the leverage ratio, or (2) for Base Rate loans, the highest of (a) the prime rate, (b) the Federal Funds Rate plus 0.50 percent, or (c) the one-month LIBOR rate plus 1.0 percent, plus zero to 1.00 percent based on the leverage ratio.

The amended credit agreement has two financial covenants based on: (1) debt to earnings ratio (Total Funded Debt to EBITDA, as those terms are defined in the amended credit agreement, as of the last day of each fiscal quarter cannot exceed (i) 3.5 to 1.0, if none of the $270 million private placement senior notes due 2013 remain outstanding, or otherwise (ii) the then applicable maximum multiple under the $270 million private placement senior notes due 2013) and (2) interest coverage ratio (Consolidated EBITDA to Interest Expense, as those terms are defined in the amended credit agreement, for the preceding four quarters must not be less than 2.5 to 1.0 on the last day of any fiscal quarter). As the $270 million private placement senior notes due 2013 were repaid on December 28, 2012 with proceeds from the 2012 public offering, the financial covenant relating to the notes remaining outstanding was no longer applicable. Prior to the amendment to our multicurrency credit agreement in August 2011, the debt to earnings ratio of Total Funded Debt to Consolidated EBITDA for the preceding four quarters could not exceed 3.25 to 1.0 on the last day of any fiscal quarter. Prior to the amendment to our multicurrency credit agreement in October 2009, the interest coverage ratio was calculated based on Consolidated EBIT to Interest Expense for the preceding four quarters and could not be less than 3.0 to 1.0 on the last day of any fiscal quarter. The amended credit agreement provided for more flexible financial covenants and debt restrictions through the amendment of certain customary covenants. As of December 31, 2012 and 2011, we were in compliance with the financial covenants in the amended credit agreement.

We have amended our revolving credit facility subsequent to December 31, 2012. See NOTE 22 - SUBSEQUENT EVENTS for further information.

$500 Million Senior Notes — 2012 Offering

On December 6, 2012, we completed a $500.0 million public offering of senior notes at 3.95 percent due January 15, 2018. Interest is fixed and is payable on January 15 and July 15 of each year, beginning on July 15, 2013 until maturity. The senior notes are unsecured obligations and rank equally in right of payment with all our other existing and future unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts. A portion of the net proceeds from the senior notes offering was used on December 28, 2012 to repay $270.0 million and $55.0 million outstanding private placement senior notes and also for the repayment of a portion of the borrowings outstanding under the term loan facility and the revolving credit facility.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 50 basis points with respect to the 2018 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption.

In addition, if a change of control triggering event occurs with respect to the senior notes, as defined in the agreement, we will be required to offer to purchase the notes of the applicable series at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

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The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.
Interest Rate Adjustment Based on Rating Events
The interest rate payable on the senior notes may be subject to adjustments from time to time if either Moody's or S&P or, in either case, any Substitute Rating Agency thereof downgrades (or subsequently upgrades) the debt rating assigned to the senior notes. In no event shall (1) the interest rate for the senior notes be reduced to below the interest rate payable on the senior notes on the date of the initial issuance of senior notes or (2) the total increase in the interest rate on the senior notes exceed 2.00% above the interest rate payable on the senior notes on the date of the initial issuance of senior notes.
$1 Billion Senior Notes — 2011 Offering
On March 23, 2011 and April 1, 2011, respectively, we completed a $1 billion public offering of senior notes consisting of two tranches: a 10-year tranche of $700 million aggregate principal amount at 4.88 percent senior notes due April 1, 2021, and an additional issuance of $300 million aggregate principal amount of our 6.25 percent senior notes due October 1, 2040, of which $500 million aggregate principal amount previously was issued during September 2010. Interest is fixed and is payable on April 1 and October 1 of each year, beginning on October 1, 2011, for both series of senior notes until maturity. The senior notes are unsecured obligations and rank equally in right of payment with all our other existing and future unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts. The net proceeds from the senior notes offering were used to fund a portion of the acquisition of Consolidated Thompson and to pay the related fees and expenses.
The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 25 basis points with respect to the 2021 senior notes and 40 basis points with respect to the 2040 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption. However, if the 2021 senior notes are redeemed on or after the date that is three months prior to their maturity date, the 2021 senior notes will be redeemed at a redemption price equal to 100 percent of the principal amount of the notes to be redeemed plus accrued and unpaid interest to the date of redemption.
In addition, if a change of control triggering event occurs with respect to the senior notes, as defined in the agreement, we will be required to offer to purchase the notes of the applicable series at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase.
The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.
$1 Billion Senior Notes — 2010 Offering
On September 20, 2010, we completed a $1 billion public offering of senior notes consisting of two tranches: a 10-year tranche of $500 million aggregate principal amount at 4.80 percent due October 1, 2020, and a 30-year tranche of $500 million aggregate principal amount at 6.25 percent due October 1, 2040. Interest is fixed and is payable on April 1 and October 1 of each year, beginning on April 1, 2011, for both series of senior notes until maturity. 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 subsidiary guarantees of the interest and principal amounts.

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A portion of the net proceeds from the senior notes offering was used on September 22, 2010 to repay $350 million outstanding under our credit facility. A portion of the net proceeds was also used for general corporate purposes, including funding of capital expenditures and were used to fund a portion of the acquisition of Consolidated Thompson and related expenses.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 35 basis points with respect to the 2020 senior notes and 40 basis points with respect to the 2040 senior notes, plus, in each case, accrued and unpaid interest to the date of redemption. In addition, if a change of control triggering event occurs with respect to the notes, we will be required to offer to purchase the notes at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

$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 subsidiary guarantees of the interest and principal amounts.

A portion of the net proceeds from the senior notes offering was used on March 31, 2010 to repay our $200 million term loan under our credit facility, as well as to repay on May 27, 2010 our share of Amapá's remaining debt outstanding of $100.8 million. In addition, we used the remainder of the net proceeds to help fund the acquisitions of Spider and CLCC during the third quarter of 2010.

The senior notes may be redeemed any time at our option not less than 30 days nor more than 60 days after prior notice is sent to the holders of the applicable series of notes. The senior notes are redeemable at a redemption price equal to the greater of (1) 100 percent of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis, plus accrued and unpaid interest to the date of redemption. In addition, if a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101 percent of the principal amount, plus accrued and unpaid interest to the date of purchase.

The terms of the senior notes contain certain customary covenants; however, there are no financial covenants.

$325 Million Private Placement Senior Notes

On June 25, 2008, we entered into a $325 million private placement consisting of $270 million of 6.31 percent five-year senior notes due June 15, 2013, and $55 million of 6.59 percent seven-year senior notes due June 15, 2015. Through the use of proceeds from the 2012 public offering, we repaid the $325 million private placement senior notes including all accrued and unpaid interest and a make-whole amount on December 28, 2012. Interest was paid on the notes for both tranches on June 15 and December 15 until the payoff date. The notes were unsecured obligations with interest and principal amounts guaranteed by certain of our domestic subsidiaries. The notes and guarantees were not required to be registered under the Securities Act of 1933, as amended, and were placed with qualified institutional investors.

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The terms of the private placement senior notes contained customary covenants that required compliance with certain financial covenants based on: (1) debt to earnings ratio (Total Funded Debt to Consolidated EBITDA, as those terms are defined in the note purchase agreement, for the preceding four quarters cannot exceed 3.25 to 1.0 on the last day of any fiscal quarter) and (2) interest coverage ratio (Consolidated EBITDA to Interest Expense, as those terms are defined in the note purchase agreement, for the preceding four quarters must not be less than 2.5 to 1.0 on the last day of any fiscal quarter). As of December 31, 2011, we were in compliance with the financial covenants in the note purchase agreement.

Bridge Credit Agreement

On March 4, 2011, we entered into an unsecured bridge credit agreement with a syndicate of banks in order to provide a portion of the financing for the acquisition of Consolidated Thompson. The bridge credit agreement provided for a bridge credit facility with an original maturity date of May 10, 2012. On May 10, 2011, we borrowed $750 million under the bridge credit facility to fund a portion of the cash required upon the consummation of the acquisition of Consolidated Thompson. The borrowings under the bridge credit facility were repaid using a portion of the net proceeds obtained from the public offering of our common shares that was completed on June 13, 2011, and the bridge credit facility was terminated. The borrowings under the bridge credit facility bore interest at a floating rate based upon a base rate or the LIBOR rate plus a margin determined by our credit rating and the length of time the borrowings were outstanding. The weighted average annual interest rate under the bridge credit facility during the time the borrowings were outstanding was 2.56 percent. Refer to NOTE 16 - CAPITAL STOCK for additional information on the public offering of our common shares.

Term Loan

On March 4, 2011, we entered into an unsecured term loan agreement with a syndicate of banks in order to provide a portion of the financing for the acquisition of Consolidated Thompson. The term loan agreement provided for a $1.25 billion term loan. The term loan has a maturity date of five years from the date of funding and requires principal payments on each three-month anniversary of the date following the funding. On May 10, 2011, we borrowed $1.25 billion under the term loan agreement to fund a portion of the cash required upon the consummation of the acquisition of Consolidated Thompson. Effective August 11, 2011, we amended the term loan agreement to modify certain definitions, representations, warranties and covenants, including the financial covenants, to conform to certain provisions under the amended credit agreement. In addition, a portion of the $1.75 billion revolving credit facility, provided for under the amended credit agreement, was used to repay $250 million of the outstanding term loan, as discussed above. The $250 million payment was in addition to two scheduled quarterly principal payments totaling $28.0 million, reducing the total outstanding amount under the term loan to $972.0 million, of which $897.2 million is characterized as long-term debt as of December 31, 2011. As of December 31, 2012, the total amount outstanding under the term loan is $847.1 million, of which $753.0 million is characterized as long term debt. Borrowings under the term loan bear interest at a floating rate based upon a base rate or the LIBOR rate plus a margin depending on the leverage ratio.

We have amended our term loan subsequent to December 31, 2012. See NOTE 22 - SUBSEQUENT EVENTS for further information.

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Short-Term Facilities

Asia Pacific Iron Ore maintains a bank contingent instrument facility and cash advance facility. The facility, which is renewable annually at the bank's discretion, provides A$40.0 million ($41.6 million) in credit for contingent instruments, such as performance bonds and the ability to request a cash advance facility to be provided at the discretion of the bank. As of December 31, 2012, the outstanding bank guarantees under this facility totaled A$25.0 million ($26.0 million), thereby reducing borrowing capacity to A$15.0 million ($15.6 million). We have provided a guarantee of the facility, along with certain of our Australian subsidiaries. During the third quarter of 2012, the agreement was amended to eliminate the customary covenants that were required. Prior to this amendment, the facility agreement contained certain customary covenants that require compliance with certain financial covenants: (1) debt to earnings ratio and (2) interest coverage ratio, both based on the financial performance of the Company. As of December 31, 2011, we were in compliance with these financial covenants.

Consolidated Thompson Senior Secured Notes

The Consolidated Thompson senior secured notes were included among the liabilities assumed in the acquisition of Consolidated Thompson. On April 13, 2011, we purchased the outstanding Consolidated Thompson senior secured notes directly from the note holders for $125 million, including accrued and unpaid interest. The senior secured notes had a face amount of $100 million, a stated interest rate of 8.5 percent and were scheduled to mature in 2017. The transaction initially was recorded as an investment in Consolidated Thompson senior secured notes during the second quarter of 2011. However, upon the completion of the acquisition of Consolidated Thompson and consolidation into our financial statements, the Consolidated Thompson senior secured notes and our investment in the notes were eliminated as intercompany transactions. During August 2011, Consolidated Thompson, our wholly owned subsidiary, provided for the redemption and release of the Consolidated Thompson senior secured notes, resulting in the cancellation of the notes. Refer to NOTE 6 - ACQUISITIONS AND OTHER INVESTMENTS for additional information.

Consolidated Thompson Convertible Debentures

Included among the liabilities assumed in the acquisition of Consolidated Thompson were the Consolidated Thompson convertible debentures, which, as a result of the acquisition, were able to be converted by their holders into cash in accordance with the cash change-of-control provision of the convertible debenture indenture. The convertible debentures allowed the debenture holders to convert at a premium conversion ratio beginning on the 10th trading day prior to the closing of the acquisition and ending on the 30th day subsequent to the mailing of an offer to purchase the convertible debentures, which was the cash change-of-control conversion period as defined by the convertible debenture indenture. On May 12, 2011, following the closing of the acquisition, Consolidated Thompson commenced the offer to purchase all of the outstanding convertible debentures in accordance with its obligations under the convertible debenture indenture by mailing the offer to purchase to the debenture holders. Additionally, on May 13, 2011, Consolidated Thompson gave notice that it was exercising its right to redeem any convertible debentures that remained outstanding on June 13, 2011, after giving effect to any conversions that occurred during the cash change-of-control conversion period. As previously disclosed, Consolidated Thompson received sufficient consents from the debenture holders, pursuant to a consent solicitation, to amend the convertible debenture indenture to give Consolidated Thompson such a redemption right. As a result of these events, no convertible debentures remain outstanding. Refer to NOTE 6 - ACQUISITIONS AND OTHER INVESTMENTS for additional information.

Letters of Credit

In conjunction with our acquisition of Consolidated Thompson, we issued standby letters of credit with certain financial institutions in order to support Consolidated Thompson's and Bloom Lake's general business obligations. In addition, we issued standby letters of credit with certain financial institutions during the third quarter of 2011 in order to support Wabush's obligations. As of December 31, 2012 and 2011, these letter of credit obligations totaled $96.9 million and $95.0 million, respectively. All of these standby letters of credit are in addition to the letters of credit provided for under the amended and restated multicurrency credit agreement.

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Debt Maturities

Maturities of debt instruments, excluding borrowings on the revolving credit facility, based on the principal amounts outstanding at December 31, 2012, total approximately $94.1 million in 2013, $117.7 million in 2014, $353.0 million in 2015, $282.4 million in 2016, none in 2017 and $2.9 billion thereafter.

NOTE 11 - LEASE OBLIGATIONS

We lease certain mining, production and other equipment under operating and capital leases. The leases are for varying lengths, generally at market interest rates and contain purchase and/or renewal options at the end of the terms. Our operating lease expense was $25.8 million, $26.3 million and $24.2 million respectively, for the years ended December 31, 2012, 2011 and 2010. Capital lease assets were $471.7 million and $406.0 million at December 31, 2012 and 2011, respectively. Corresponding accumulated amortization of capital leases included in respective allowances for depreciation were $184.5 million and $110.6 million at December 31, 2012 and 2011, respectively.

In October 2011, our North American Coal segment entered into the second phase of the sale-leaseback arrangement initially executed in December 2010 for the sale of the new longwall plow system at our Pinnacle mine in West Virginia. The first and second phases of the leaseback arrangement are for a period of five years. The 2010 sale-leaseback arrangement was specific to the assets at the time of the agreement and did not include the longwall plow system assets. Both phases of the leaseback arrangement have been accounted for as a capital lease. We recorded assets and liabilities under the capital lease of $75.9 million, reflecting the lower of the present value of the minimum lease payments or the fair value of the asset.

Future minimum payments under capital leases and non-cancellable operating leases at December 31, 2012 are as follows:

	(In Millions)		
	Capital Leases		Operating Leases
2013	$75.2		$24.7
2014	69.0		20.9
2015	57.7		13.0
2016	42.1		8.0
2017	35.3		7.4
2018 and thereafter	92.4		21.5
Total minimum lease payments	$371.7		$95.5
Amounts representing interest	82.0		
Present value of net minimum lease payments	$289.7	(1)	

(1) The total is comprised of $54.1 million and $235.6 million classified as Other current liabilities and Other liabilities, respectively, in the Statements of Consolidated Financial Position at December 31, 2012.

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NOTE 12 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS

We had environmental and mine closure liabilities of $265.1 million and $226.9 million at December 31, 2012 and 2011, respectively. Payments in 2012 and 2011 were $2.4 million and $1.9 million, respectively. The following is a summary of the obligations as of December 31, 2012 and 2011:

	(In Millions)	
	December 31,	
	2012	2011
Environmental	$15.7	$15.5
Mine closure		
LTVSMC	18.3	16.5
Operating mines:		
U.S Iron Ore	81.2	74.3
Eastern Canadian Iron Ore	88.9	68.0
Asia Pacific Iron Ore	22.4	16.3
North American Coal	38.6	36.3
Total mine closure	249.4	211.4
Total environmental and mine closure obligations	265.1	226.9
Less current portion	12.3	13.7
Long term environmental and mine closure obligations	$252.8	$213.2

Environmental

Our mining and exploration activities are subject to various laws and regulations governing the protection of the environment. We conduct our operations to protect the public health and environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities of $15.7 million and $15.5 million at December 31, 2012 and 2011, respectively, including obligations for known environmental remediation exposures at various active and closed mining operations and other sites, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost only can be estimated as a range of possible amounts with no specific amount being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements readily are known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed.

As discussed in further detail below, the environmental liability recorded at December 31, 2012 and 2011 primarily is comprised of remediation obligations related to the Rio Tinto mine site in Nevada where we are named as a PRP.

The Rio Tinto Mine Site

The Rio Tinto Mine Site is a historic underground copper mine located near Mountain City, Nevada, where tailings were placed in Mill Creek, a tributary to the Owyhee River. Site investigation and remediation work is being conducted in accordance with a Consent Order dated September 14, 2001 between the NDEP and the RTWG composed of the Company, Atlantic Richfield Company, Teck Cominco American Incorporated and E. I. duPont de Nemours and Company. The Consent Order provides for technical review by the U.S. Department of the Interior Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, U.S. Department of Agriculture Forest Service, the NDEP and the Shoshone-Paiute Tribe of the Duck Valley Reservation (collectively, "Rio Tinto Trustees"). In recognition of the potential for an NRD claim, the parties actively pursued a global settlement that would include the EPA and encompass both the remedial action and the NRD issues.

The NDEP published a Record of Decision for the Rio Tinto Mine, which was signed on February 14, 2012 by the NDEP and the EPA. On September 27, 2012, the agencies subsequently issued a proposed Consent Decree, which was lodged with the U.S. District Court for the District of Nevada and opened for 30-

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day public comment on October 4, 2012. Under the terms of the Consent Decree, RTWG has agreed to pay $25 million in cleanup costs and natural resource damages to the site and surrounding area. The Company's share of the total settlement cost, which includes remedial action, insurance and other oversight costs is anticipated to be approximately $12.0 million.

Under the terms of the Consent Decree, the RTWG will be responsible for removing mine tailings from Mill Creek, improving the creek to support redband trout and improving water quality in Mill Creek and the East Fork Owyhee River. Previous cleanup projects included filling in old mine shafts, grading and covering leach pads and tailings, and building diversion ditches. NDEP will oversee the cleanup, with input from EPA and monitoring from the nearby Shoshone-Paiute Tribes of Duck Valley.

We have an environmental liability of $11.5 million and $10.0 million in the Statements of Consolidated Financial Position as of December 31, 2012 and 2011, respectively, related to this issue.

Mine Closure

Our mine closure obligation of $249.4 million and $211.4 million at December 31, 2012 and 2011, respectively, includes our four consolidated U.S. operating iron ore mines, our two Eastern Canadian operating iron ore mines, our Asia Pacific operating iron ore mine, our six operating North American coal mines and a closed operation formerly known as LTVSMC.

Management periodically performs an assessment of the obligation to determine the adequacy of the liability in relation to the closure activities still required at the LTVSMC site. The LTVSMC closure liability was $18.3 million and $16.5 million at December 31, 2012 and 2011, respectively.

The accrued closure obligation for our active mining operations provides for contractual and legal obligations associated with the eventual closure of the mining operations. We performed a detailed assessment of our asset retirement obligations related to our active mining locations most recently in 2011, except for Asia Pacific Iron Ore, in accordance with our accounting policy, which requires us to perform an in-depth evaluation of the liability every three years in addition to routine annual assessments. Due to new legislation in Australia, the assessment for Asia Pacific Iron Ore was performed in 2012. For the assessments performed, we determined the obligations based on detailed estimates adjusted for factors that a market participant would consider (i.e., inflation, overhead and profit) and then discounted the obligation using the current credit-adjusted risk-free interest rate based on the corresponding life of mine. The estimate also incorporates incremental increases in the closure cost estimates and changes in estimates of mine lives. The closure date for each location was determined based on the exhaustion date of the remaining iron ore reserves. The accretion of the liability and amortization of the related asset is recognized over the estimated mine lives for each location.

The following represents a rollforward of our asset retirement obligation liability related to our active mining locations for the years ended December 31, 2012 and 2011:

	(In Millions)	
	December 31,	
	2012	2011
Asset retirement obligation at beginning of period	$194.9	$162.1
Accretion expense	17.6	15.7
Exchange rate changes	0.3	0.1
Revision in estimated cash flows	18.2	3.7
Payments	0.1	(0.7)
Acquired through business combinations	—	14.0
Asset retirement obligation at end of period	$231.1	$194.9

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NOTE 13 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We offer defined benefit pension plans, defined contribution pension plans and other postretirement benefit plans, primarily consisting of retiree healthcare benefits, to most employees in North America as part of a total compensation and benefits program. This includes employees of CLCC who became employees of the Company through the July 2010 acquisition. Upon the acquisition of the remaining 73.2 percent interest in Wabush in February 2010, we fully consolidated the related Canadian plans into our pension and OPEB obligations. We do not have employee retirement benefit obligations at our Asia Pacific Iron Ore operations. The defined benefit pension plans largely are noncontributory and benefits generally are based on employees' years of service and average earnings for a defined period prior to retirement or a minimum formula.

On November 9, 2012, the USW ratified 37 month labor contracts, which replaced the labor agreements that expired on September 1, 2012. The agreements cover approximately 2,400 USW -represented employees at our Empire and Tilden mines in Michigan and our United Taconite and Hibbing mines in Minnesota, or 32 percent of our total workforce. The new agreement set temporary monthly post-retirement medical premium maximums for participants who retire prior to January 1, 2015. These premium maximums will expire at the end of the contract period and revert to increasing premiums based on the terms of the 2004 bargaining agreement. Also agreed to, was an OPEB cap that will limit the amount of contributions that we have to make toward medical insurance coverage for each retiree and spouse of a retiree per calendar year after it goes into effect. The amount of the annual OPEB cap will be based upon the costs we incur in 2014.The OPEB cap will apply to employees who retire on or after January 1, 2015 and will not apply to surviving spouses. In addition, the bargaining agreement renewed the lump sum special payments for certain employees retiring in the near future. The changes also included renewal of and an increase in payments to surviving spouses of certain retirees, as well as, an increase in the temporary supplemental benefit amount paid to certain retirees. The agreements also provide that we and our partners fund an estimated $65.7 million into the bargaining unit VEBA plans during the term of the agreements. These agreements are effective through September 30, 2015.

In addition, we currently provide various levels of retirement health care and OPEB to most full-time employees who meet certain length of service and age requirements (a portion of which is pursuant to collective bargaining agreements). Most plans require retiree contributions and have deductibles, co-pay requirements and benefit limits. Most bargaining unit plans require retiree contributions and co-pays for major medical and prescription drug coverage. There is an annual limit on our cost for medical coverage under the U.S. salaried plans. The annual limit applies to each covered participant and equals $7,000 for coverage prior to age 65 and $3,000 for coverage after age 65, with the retiree's participation adjusted based on the age at which the retiree's benefits commence. For participants at our Northshore operation, the annual limit ranges from $4,020 to $4,500 for coverage prior to age 65, and equals $2,000 for coverage after age 65. Covered participants pay an amount for coverage equal to the excess of (i) the average cost of coverage for all covered participants, over (ii) the participant's individual limit, but in no event will the participant's cost be less than 15 percent of the average cost of coverage for all covered participants. For Northshore participants, the minimum participant cost is a fixed dollar amount. We do not provide OPEB for most U.S. salaried employees hired after January 1, 1993. OPEB are provided through programs administered by insurance companies whose charges are based on benefits paid.

Our North American Coal segment is required under an agreement with the UMWA to pay amounts into the UMWA pension trusts based principally on hours worked by UMWA-represented employees. This agreement covers approximately 800 UMWA-represented employees at our Pinnacle Complex in West Virginia and our Oak Grove mine in Alabama, or 11 percent of our total workforce. These multi-employer pension trusts provide benefits to eligible retirees through a defined benefit plan. The UMWA 1993 Benefit Plan is a defined contribution plan that was created as the result of negotiations for the NBCWA of 1993. The plan provides healthcare insurance to orphan UMWA retirees who are not eligible to participate in the UMWA Combined Benefit Fund or the 1992 Benefit Fund or whose last employer signed the 1993 or later NBCWA and who subsequently goes out of business. Contributions to the trust were at rates of $8.10, $6.50 and $6.42 per hour worked in 2012, 2011 and 2010, respectively. These amounted to $14.9 million, $9.5 million and $10.3 million in 2012, 2011 and 2010, respectively.

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In December 2003, The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was enacted. This act introduced a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that at least actuarially is equivalent to Medicare Part D. Our measures of the accumulated postretirement benefit obligation and net periodic postretirement benefit cost as of December 31, 2004 and for periods thereafter reflect amounts associated with the subsidy. We elected to adopt the retroactive transition method for recognizing the OPEB cost reduction in 2004. The following table summarizes the annual costs related to the retirement plans for 2012, 2011 and 2010:

	(In Millions)		
	2012	2011	2010
Defined benefit pension plans	$55.2	$37.8	$45.6
Defined contribution pension plans	6.7	5.7	4.2
Other postretirement benefits	28.1	26.8	24.2
Total	$90.0	$70.3	$74.0

The following tables and information provide additional disclosures for our consolidated plans.

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Obligations and Funded Status

The following tables and information provide additional disclosures for the years ended December 31, 2012 and 2011:

	(In Millions)			
	Pension Benefits		Other Benefits	
Change in benefit obligations:	2012	2011	2012	2011
Benefit obligations — beginning of year	$1,141.4	$1,022.3	$488.4	$440.2
Service cost (excluding expenses)	32.0	23.6	14.7	11.1
Interest cost	48.4	51.4	20.6	22.3
Plan amendments	2.8	—	(58.3)	—
Actuarial loss	84.3	117.3	11.3	36.5
Benefits paid	(71.0)	(67.3)	(26.9)	(25.5)
Participant contributions	—	—	4.6	4.6
Federal subsidy on benefits paid	—	—	0.8	0.9
Exchange rate gain	6.4	(5.9)	4.6	(1.7)
Benefit obligations — end of year	$1,244.3	$1,141.4	$459.8	$488.4
Change in plan assets:				
Fair value of plan assets — beginning of year	$744.1	$734.3	$193.5	$174.2
Actual return on plan assets	92.5	10.8	26.1	1.9
Participant contributions	—	—	1.7	1.6
Employer contributions	67.7	70.1	23.3	23.2
Benefits paid	(71.0)	(67.3)	(7.6)	(7.4)
Exchange rate gain	5.4	(3.8)	—	—
Fair value of plan assets — end of year	$838.7	$744.1	$237.0	$193.5
Funded status at December 31:				
Fair value of plan assets	$838.7	$744.1	$237.0	$193.5
Benefit obligations	(1,244.3)	(1,141.4)	(459.8)	(488.4)
Funded status (plan assets less benefit obligations)	$(405.6)	$(397.3)	$(222.8)	$(294.9)
Amount recognized at December 31	$(405.6)	$(397.3)	$(222.8)	$(294.9)
Amounts recognized in Statements of Financial Position:				
Current liabilities	$(1.8)	$(2.6)	$(8.3)	$(23.8)
Noncurrent liabilities	(403.8)	(394.7)	(214.5)	(271.1)
Net amount recognized	$(405.6)	$(397.3)	$(222.8)	$(294.9)
Amounts recognized in accumulated other comprehensive income:				
Net actuarial loss	$429.2	$409.1	$176.8	$182.9
Prior service cost	17.2	18.8	(48.8)	8.1
Transition asset	—	—	—	(3.0)
Net amount recognized	$446.4	$427.9	$128.0	$188.0
The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2013:				
Net actuarial loss	$30.3		$11.1	
Prior service cost	3.0		(3.6)	
Net amount recognized	$33.3		$7.5	

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	(In Millions)							
	2012							
	Pension Plans					Other Benefits		
	Salaried	Hourly	Mining	SERP	Total	Salaried	Hourly	Total
Fair value of plan assets	$328.2	$506.4	$4.1	$—	$838.7	$—	$237.0	$237.0
Benefit obligation	(464.4)	(764.8)	(6.4)	(8.7)	(1,244.3)	(72.6)	(387.2)	(459.8)
Funded status	$(136.2)	$(258.4)	$(2.3)	$(8.7)	$(405.6)	$(72.6)	$(150.2)	$(222.8)

	2011							
	Pension Plans					Other Benefits		
	Salaried	Hourly	Mining	SERP	Total	Salaried	Hourly	Total
Fair value of plan assets	$289.1	$451.8	$3.2	$—	$744.1	$—	$193.5	$193.5
Benefit obligation	(419.3)	(708.0)	(5.3)	(8.8)	(1,141.4)	(70.7)	(417.7)	(488.4)
Funded status	$(130.2)	$(256.2)	$(2.1)	$(8.8)	$(397.3)	$(70.7)	$(224.2)	$(294.9)

The accumulated benefit obligation for all defined benefit pension plans was $1,204.7 million and $1,114.7 million at December 31, 2012 and 2011, respectively. The increase in the accumulated benefit obligation primarily is a result of a decrease in the discount rates and actual asset returns lower than the previously assumed rate.

Components of Net Periodic Benefit Cost

	(In Millions)					
	Pension Benefits			Other Benefits		
	2012	2011	2010	2012	2011	2010
Service cost	$32.0	$23.6	$18.5	$14.7	$11.1	$7.5
Interest cost	48.4	51.4	52.9	20.6	22.3	22.0
Expected return on plan assets	(59.5)	(61.2)	(53.3)	(17.7)	(16.1)	(12.9)
Amortization:						
Net asset	—	—	—	(3.0)	(3.0)	(3.0)
Prior service costs (credits)	3.9	4.4	4.4	1.9	3.7	1.7
Net actuarial loss	30.4	19.6	23.1	11.6	8.8	8.9
Net periodic benefit cost	$55.2	$37.8	$45.6	$28.1	$26.8	$24.2
Acquired through business combinations	—	—	17.7	—	—	2.4
Current year actuarial (gain)/loss	53.1	165.3	(3.1)	3.2	46.8	34.6
Amortization of net loss	(30.4)	(19.6)	(23.1)	(11.6)	(8.8)	(8.9)
Current year prior service cost	2.8	—	3.7	(58.3)	—	—
Amortization of prior service (cost) credit	(3.9)	(4.4)	(4.4)	(1.9)	(3.7)	(1.7)
Amortization of transition asset	—	—	—	3.0	3.0	3.0
Total recognized in other comprehensive income	$21.6	$141.3	$(9.2)	$(65.6)	$37.3	$29.4
Total recognized in net periodic cost and other comprehensive income	$76.8	$179.1	$36.4	$(37.5)	$64.1	$53.6

Additional Information

	(In Millions)					
	Pension Benefits			Other Benefits		
	2012	2011	2010	2012	2011	2010
Effect of change in mine ownership & noncontrolling interest	$54.8	$53.3	$49.9	$8.6	$12.5	$10.7
Actual return on plan assets	92.5	10.8	87.1	26.1	1.9	20.1

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Assumptions

For our U.S. pension and other postretirement benefit plans, we used a discount rate as of December 31, 2012 of 3.70 percent, compared with a discount rate of 4.28 percent as of December 31, 2011. The U.S. discount rates are determined by matching the projected cash flows used to determine the PBO and APBO to a projected yield curve of 506 Aa graded bonds in the 10th to 90th percentiles. These bonds are either noncallable or callable with make-whole provisions. The duration matching produced rates ranging from 3.54 percent to 3.80 percent for our plans. Based upon these results, we selected a December 31, 2012 discount rate of 3.70 percent for our plans.

For our Canadian plans, we used a discount rate as of December 31, 2012 of 3.75 percent for the pension plans and 4.00 percent for the other postretirement benefit plans. Similar to the U.S. plans, the Canadian discount rates are determined by matching the projected cash flows used to determine the PBO and APBO to a projected yield curve of 240 corporate bonds in the 10th to 90th percentiles. The corporate bonds are either Aa graded, or (for maturities of 10 or more years) A or Aaa graded with an appropriate credit spread adjustment. These bonds are either noncallable or callable with make whole provisions.

Weighted-average assumptions used to determine benefit obligations at December 31 were:

	Pension Benefits				Other Benefits			
	2012		2011		2012		2011	
U.S. plan discount rate	3.70	%	4.28	%	3.70	%	4.28	%
Canadian plan discount rate	3.75		4.00		4.00		4.25	
Rate of compensation increase	4.00		4.00		4.00		4.00	
U.S. expected return on plan assets	8.25		8.25		8.25		8.25	
Canadian expected return on plan assets	7.25		7.25		N/A		7.25	

Weighted-average assumptions used to determine net benefit cost for the years 2012, 2011 and 2010 were:

	Pension Benefits						Other Benefits					
	2012		2011		2010		2012		2011		2010	
U.S. plan discount rate	4.28	%	5.11	%	5.66	%	4.28/3.51	% (1)	5.11	%	5.66	%
Canadian plan discount rate	4.00		5.00		5.75/5.50	(2)	4.25		5.00		6.00/5.75	(3)
U.S. expected return on plan assets	8.25		8.50		8.50		8.25		8.50		8.50	
Canadian expected return on plan assets	7.25		7.50		7.50		N/A		7.50		7.50	
Rate of compensation increase	4.00		4.00		4.00		4.00		4.00		4.00	

(1) 4.28 percent for the Salaried Plan. For the Hourly Plan, 4.28 percent from January 1, 2012 through October 31, 2012, and 3.51 percent from November 1, 2012 through December 31, 2012.

(2) 5.75 percent from January 1, 2010 through January 31, 2010, and 5.50 percent from February 1, 2010 through December 31, 2010.

(3) 6.00 percent from January 1, 2010 through January 31, 2010, and 5.75 percent from February 1, 2010 through December 31, 2010.

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Assumed health care cost trend rates at December 31 were:

	2012	2011
U.S. plan health care cost trend rate assumed for next year	7.50 %	7.50 %
Canadian plan health care cost trend rate assumed for next year	7.50	8.00
Ultimate health care cost trend rate	5.00	5.00
U.S. plan year that the ultimate rate is reached	2023	2017
Canadian plan year that the ultimate rate is reached	2018	2018

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A change of one percentage point in assumed health care cost trend rates would have the following effects:

	(In Millions)	
	Increase	Decrease
Effect on total of service and interest cost	$7.0	$(5.4)
Effect on postretirement benefit obligation	53.7	(43.4)

Plan Assets

Our financial objectives with respect to our pension and VEBA plan assets are to fully fund the actuarial accrued liability for each of the plans, to maximize investment returns within reasonable and prudent levels of risk, and to maintain sufficient liquidity to meet benefit obligations on a timely basis.

Our investment objective is to outperform the expected Return on Asset (“ROA”) assumption used in the plans’ actuarial reports over a full market cycle, which is considered a period during which the U.S. economy experiences the effects of both an upturn and a downturn in the level of economic activity. In general, these periods tend to last between three and five years. The expected ROA takes into account historical returns and estimated future long-term returns based on capital market assumptions applied to the asset allocation strategy.

The asset allocation strategy is determined through a detailed analysis of assets and liabilities by plan, which defines the overall risk that is acceptable with regard to the expected level and variability of portfolio returns, surplus (assets compared to liabilities), contributions and pension expense.

The asset allocation review process involves simulating the effect of financial market performance for various asset allocation scenarios and factoring in the current funded status and likely future funded status levels by taking into account expected growth or decline in the contributions over time. The modeling is then adjusted by simulating unexpected changes in inflation and interest rates. The process also includes quantifying the effect of investment performance and simulated changes to future levels of contributions, determining the appropriate asset mix with the highest likelihood of meeting financial objectives and regularly reviewing our asset allocation strategy.

The asset allocation strategy varies by plan. The following table reflects the actual asset allocations for pension and VEBA plan assets as of December 31, 2012 and 2011, as well as the 2013 weighted average target asset allocations as of December 31, 2012. Equity investments include securities in large-cap, mid-cap and small-cap companies located in the U.S. and worldwide. Fixed income investments primarily include corporate bonds and government debt securities. Alternative investments include hedge funds, private equity, structured credit and real estate.

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Asset Category	Pension Assets			VEBA Assets		
	2013 Target Allocation	Percentage of Plan Assets at December 31,		2013 Target Allocation	Percentage of Plan Assets at December 31,	
		2012	2011		2012	2011
Equity securities	44.4 %	45.9 %	41.7 %	39.9 %	42.6 %	42.0 %
Fixed income	28.6 %	29.5 %	31.1 %	32.0 %	32.9 %	33.5 %
Hedge funds	10.0 %	10.2 %	13.5 %	10.0 %	9.8 %	14.6 %
Private equity	5.4 %	3.5 %	5.2 %	6.1 %	2.6 %	4.5 %
Structured credit	5.8 %	6.7 %	6.0 %	5.0 %	5.3 %	— %
Real estate	5.8 %	3.5 %	2.2 %	7.0 %	6.7 %	5.3 %
Cash	— %	0.7 %	0.3 %	— %	0.1 %	0.1 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Pension

The fair values of our pension plan assets at December 31, 2012 and 2011 by asset category are as follows:

Asset Category	(In Millions) December 31, 2012 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$ 231.1	$ —	$ —	$ 231.1
U.S. small/mid-cap	39.2	—	—	39.2
International	114.5	—	—	114.5
Fixed income	209.1	38.4	—	247.5
Hedge funds	—	—	85.6	85.6
Private equity	—	—	29.3	29.3
Structured credit	—	—	56.2	56.2
Real estate	—	—	29.4	29.4
Cash	5.9	—	—	5.9
Total	$ 599.8	$ 38.4	$ 200.5	$ 838.7

Asset Category	(In Millions) December 31, 2011 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$ 191.1	$ —	$ —	$ 191.1
U.S. small/mid-cap	29.2	—	—	29.2
International	90.0	—	—	90.0
Fixed income	231.1	—	—	231.1
Hedge funds	—	—	100.7	100.7
Private equity	8.6	—	30.1	38.7
Structured credit	—	—	44.9	44.9
Real estate	—	—	16.5	16.5
Cash	1.9	—	—	1.9
Total	$ 551.9	$ —	$ 192.2	$ 744.1

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Following is a description of the inputs and valuation methodologies used to measure the fair value of our plan assets.
Equity Securities
Equity securities classified as Level 1 investments include U.S. large, small and mid-cap investments and international equity. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach, and is based upon unadjusted quoted prices for identical assets in active markets.
Fixed Income
Fixed income securities classified as Level 1 investments include bonds and government debt securities. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach, and is based upon unadjusted quoted prices for identical assets in active markets. Also included in Fixed Income is a portfolio of U.S. Treasury STRIPS, which are zero-coupon bearing fixed income securities backed by the full faith and credit of the United States government. The securities sell at a discount to par because there are no incremental coupon payments. STRIPS are not issued directly by the Treasury, but rather are created by a financial institution, government securities broker, or government securities dealer. Liquidity on the issue varies depending on various market conditions; however, in general the STRIPS market is slightly less liquid than that of the U.S. Treasury Bond market. The STRIPS are priced daily through a bond pricing vendor and are classified as Level 2.
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 observable inputs and minimize the use of unobservable inputs. Considerable judgment is required to interpret the factors used to develop estimates of fair value. Valuations of the underlying investment funds are obtained and reviewed. The securities that are valued by the funds are interests in the investment funds and not the underlying holdings of such investment funds. Thus, the inputs used to value the investments in each of the underlying funds may differ from the inputs used to value the underlying holdings of such funds.
In determining the fair value of a security, the fund managers may consider any information that is deemed relevant, which may include one or more of the following factors regarding the portfolio security, if appropriate: type of security or asset; cost at the date of purchase; size of holding; last trade price; most recent valuation; fundamental analytical data relating to the investment in the security; nature and duration of any restriction on the disposition of the security; evaluation of the factors that influence the market in which the security is purchased or sold; financial statements of the issuer; discount from market value of unrestricted securities of the same class at the time of purchase; special reports prepared by analysts; information as to any transactions or offers with respect to the security; existence of merger proposals or tender offers affecting the security; price and extent of public trading in similar securities of the issuer or compatible companies and other relevant matters; changes in interest rates; observations from financial institutions; domestic 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 of valuing portfolio securities.
Hedge fund investments in the SEI Opportunity Collective Fund are valued monthly and recorded on a one-month lag; investments in the SEI Special Situations Fund are valued quarterly. For alternative investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Share repurchases for the SEI Opportunity Collective Fund are available quarterly with notice of 65 business days. For the SEI Special Situations Fund, redemption requests are considered semi-annually subject to notice of 95 days.

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Private Equity Funds

Private equity funds are alternative investments that represent direct or indirect investments in partnerships, venture funds or a diversified pool of private investment vehicles (fund of funds).

Investment commitments are made in private equity funds of funds based on an asset allocation strategy, and capital calls are made over the life of the funds to fund the commitments. As of December 31, 2012, remaining commitments total of which $10.7 million for both our pension and other benefits. Committed amounts are funded from plan assets when capital calls are made. Investment commitments are not pre-funded in reserve accounts. Refer to the valuation methodologies for equity securities above for further information.

The valuation of investments in private equity funds of funds initially is performed by the underlying fund managers. In determining the fair value, the fund managers may consider any information that is deemed relevant, which may include: type of security or asset; cost at the date of purchase; size of holding; last trade price; most recent valuation; fundamental analytical data relating to the investment in the security; nature and duration of any restriction on the disposition of the security; evaluation of the factors that influence the market in which the security is purchased or sold; financial statements of the issuer; discount from market value of unrestricted securities of the same class at the time of purchase; special reports prepared by analysts; information as to any transactions or offers with respect to the security; existence of merger proposals or tender offers affecting the security; price and extent of public trading in similar securities of the issuer or compatible companies and other relevant matters; changes in interest rates; observations from financial institutions; domestic 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 of valuing portfolio securities.

The valuations are obtained from the underlying fund managers, and the valuation methodology and process is reviewed for consistent application and adherence to policies. Considerable judgment is required to interpret the factors used to develop estimates of fair value.

Private equity investments are valued quarterly and recorded on a one-quarter lag. For alternative investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Capital distributions for the funds do not occur on a regular frequency. Liquidation of these investments would require sale of the partnership interest.

Structured Credit

Structured credit investments are alternative investments comprised of collateralized debt obligations and other structured credit investments that are priced based on valuations provided by independent, third-party pricing agents, if available. Such values generally reflect the last reported sales price if the security is actively traded. The third-party pricing agents may also value structured credit investments at an evaluated bid price by employing methodologies that utilize actual market transactions, broker-supplied valuations, or other methodologies designed to identify the market value of such securities. Such methodologies generally consider such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available are valued at the last quoted sale price on the primary exchange or market on which they are traded. Debt obligations with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Structured credit investments are valued monthly and recorded on a one-month lag. For alternative investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Redemption requests are considered quarterly subject to notice of 90 days.

Real Estate

The real estate portfolio for the pension plans is an alternative investment comprised of three funds with strategic categories of real estate investments. All real estate holdings are appraised externally at least

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annually, and appraisals are conducted by reputable, independent appraisal firms that are members of the Appraisal Institute. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. The property valuations and assumptions of each property are reviewed quarterly by the investment advisor and values are adjusted if there has been a significant change in circumstances relating to the property since the last external appraisal. The valuation methodology utilized in determining the fair value is consistent with the best practices prevailing within the real estate appraisal and real estate investment management industries, including the Real Estate Information Standards, and standards promulgated by the National Council of Real Estate Investment Fiduciaries, the National Association of Real Estate Investment Fiduciaries, and the National Association of Real Estate Managers. In addition, the investment advisor may cause additional appraisals to be performed. Two of the funds' fair values are updated monthly, and there is no lag in reported values. Redemption requests for these two funds are considered on a quarterly basis, subject to notice of 45 days.

Effective October 1, 2009, one of the real estate funds began an orderly wind-down over a three to four year period. The decision to wind down the fund primarily was driven by real estate market factors that adversely affected the availability of new investor capital. Third-party appraisals of this fund's assets were eliminated; however, internal valuation updates for all assets and liabilities of the fund are prepared quarterly. The fund's asset values are recorded on a one-quarter lag, and current market information is reviewed for any material changes in values at the reporting date. Distributions from sales of properties will be made on a pro-rata basis. Repurchase requests will not be honored during the wind-down period.

During 2011, a new real estate fund of funds investment was added for the Empire, Tilden, Hibbing and United Taconite VEBA plans as a result of the asset allocation review process. This fund invests in pooled investment vehicles that in turn invest in commercial real estate properties. Valuations are performed quarterly and financial statements are prepared on a semi-annual basis, with annual audited statements. Asset values for this fund are reported with a one-quarter lag and current market information is reviewed for any material changes in values at the reporting date. In most cases, values are based on valuations reported by underlying fund managers or other independent third-party sources, but the fund has discretion to use other valuation methods, subject to compliance with ERISA. Valuations are typically estimates only and subject to upward or downward revision based on each underlying fund's annual audit. Withdrawals are permitted on the last business day of each quarter subject to a 65-day prior written notice.

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the years ended December 31, 2012 and 2011:

	(In Millions) Year Ended December 31, 2012				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1, 2012	$100.7	$30.1	$44.9	$16.5	$192.2
Actual return on plan assets:					
Relating to assets still held at the reporting date	4.2	1.4	11.3	4.9	21.8
Relating to assets sold during the period	(0.3)	—	—	(0.5)	(0.8)
Purchases	—	2.2	—	12.2	14.4
Sales	(19.0)	(4.4)	—	(3.7)	(27.1)
Ending balance — December 31, 2012	$85.6	$29.3	$56.2	$29.4	$200.5

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	(In Millions) Year Ended December 31, 2011				
	Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1, 2011	$105.8	$25.0	$39.7	$15.5	$186.0
Actual return on plan assets:					
Relating to assets still held at the reporting date	(2.4)	2.6	5.2	1.6	7.0
Relating to assets sold during the period	0.5	3.0	—	0.5	4.0
Purchases	35.8	4.4	—	—	40.2
Sales	(39.0)	(4.9)	—	(1.1)	(45.0)
Ending balance — December 31, 2011	$100.7	$30.1	$44.9	$16.5	$192.2

The expected return on plan assets takes into account historical returns and the weighted average of estimated future long-term returns based on capital market assumptions for each asset category. The expected return is net of investment expenses paid by the plans.

VEBA

Assets for other benefits include VEBA trusts pursuant to bargaining agreements that are available to fund retired employees' life insurance obligations and medical benefits. The fair values of our other benefit plan assets at December 31, 2012 and 2011 by asset category are as follows:

	(In Millions) December 31, 2012			
Asset Category	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$58.2	$—	$—	$58.2
U.S. small/mid-cap	10.3	—	—	10.3
International	32.3	—	—	32.3
Fixed income	78.1	—	—	78.1
Hedge funds	—	—	23.2	23.2
Private equity	—	—	6.2	6.2
Structured credit	—	—	12.5	12.5
Real estate	—	—	15.9	15.9
Cash	0.3	—	—	0.3
Total	$179.2	$—	$57.8	$237.0

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Asset Category	(In Millions) December 31, 2011 Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity securities:				
U.S. large-cap	$46.5	$—	$—	$46.5
U.S. small/mid-cap	7.9	—	—	7.9
International	26.8	—	—	26.8
Fixed income	64.9	—	—	64.9
Hedge funds	—	—	28.3	28.3
Private equity	1.9	—	6.8	8.7
Real estate	—	—	10.2	10.2
Cash	0.2	—	—	0.2
Total	$148.2	$—	$45.3	$193.5

Refer to the pension asset discussion above for further information regarding the inputs and valuation methodologies used to measure the fair value of each respective category of plan assets.

The following represents the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the year ended December 31, 2012 and 2011:

	(In Millions) Year Ended December 31, 2012 Hedge Funds	Private Equity Funds	Structured Credit Fund	Real Estate	Total
Beginning balance — January 1	$28.3	$6.8	$—	$10.2	$45.3
Actual return on plan assets:					
Relating to assets still held at the reporting date	0.9	0.3	1.5	1.3	4.0
Purchases	—	0.2	11.0	4.4	15.6
Sales	(6.0)	(1.1)	—	—	(7.1)
Ending balance — December 31	$23.2	$6.2	$12.5	$15.9	$57.8

	(In Millions) Year Ended December 31, 2011 Hedge Funds	Private Equity Funds	Real Estate	Total
Beginning balance — January 1	$24.0	$4.9	$—	$28.9
Actual return on plan assets:				
Relating to assets still held at the reporting date	(0.4)	1.4	0.4	1.4
Purchases	7.7	0.9	9.8	18.4
Sales	(3.0)	(0.4)	—	(3.4)
Ending balance — December 31	$28.3	$6.8	$10.2	$45.3

The expected return on plan assets takes into account historical returns and the weighted average of estimated future long-term returns based on capital market assumptions for each asset category. The expected return is net of investment expenses paid by the plans.

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Contributions

Annual contributions to the pension plans are made within income tax deductibility restrictions in accordance with statutory regulations. In the event of plan termination, the plan sponsors could be required to fund additional shutdown and early retirement obligations that are not included in the pension obligations. The Company currently has no intention to shutdown, terminate or withdraw from any of its employee benefit plans.

	(In Millions)			
		Other Benefits		
Company Contributions	Pension Benefits	VEBA	Direct Payments	Total
2011	70.1	17.4	20.0	37.4
2012	67.7	17.4	21.6	39.0
2013 (Expected)*	51.8	14.1	8.3	22.4

* Pursuant to the bargaining agreement, benefits can be paid from VEBA trusts that are at least 70 percent funded (all VEBA trusts are 70 percent funded at December 31, 2012). Funding obligations are suspended when Hibbing's, UTAC's, Tilden's and Empire's share of the value of their respective trust assets reaches 90 percent of their obligation.

VEBA plans are not subject to minimum regulatory funding requirements. Amounts contributed are pursuant to bargaining agreements.

Contributions by participants to the other benefit plans were $4.6 million for each of the years ended December 31, 2012 and 2011.

Estimated Cost for 2013

For 2013, we estimate net periodic benefit cost as follows:

	(In Millions)
Defined benefit pension plans	$52.7
Other postretirement benefits	17.1
Total	$69.8

Estimated Future Benefit Payments

	(In Millions)			
		Other Benefits		
	Pension Benefits	Gross Company Benefits	Less Medicare Subsidy	Net Company Payments
2013	$74.8	$24.5	$1.0	$23.5
2014	80.8	26.1	1.1	25.0
2015	79.1	27.2	1.2	26.0
2016	79.4	27.3	1.3	26.0
2017	80.1	27.4	1.4	26.0
2018-2022	417.0	131.5	9.0	122.5

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Other Potential Benefit Obligations

While the foregoing reflects our obligation, our total exposure in the event of non-performance is potentially greater. Following is a summary comparison of the total obligation:

	(In Millions) December 31, 2012	
	Defined Benefit Pensions	Other Benefits
Fair value of plan assets	$838.7	$237.0
Benefit obligation	1,244.3	459.8
Underfunded status of plan	$(405.6)	$(222.8)
Additional shutdown and early retirement benefits	$32.5	$31.5

NOTE 14 - STOCK COMPENSATION PLANS

At December 31, 2012, we have two share-based compensation plans, which are described below. The compensation cost that has been charged against income for those plans was $20.6 million, $15.9 million and $15.5 million in 2012, 2011 and 2010, respectively, which primarily was recorded in Selling, general and administrative expenses in the Statements of Consolidated Operations. The total income tax benefit recognized in the Statements of Consolidated Operations for share-based compensation arrangements was $7.2 million, $5.6 million and $5.4 million for 2012, 2011 and 2010, respectively. Cash flows resulting from the tax benefits for tax deductions in excess of the compensation expense are classified as financing cash flows. Accordingly, we classified $12.7 million, $4.5 million and $3.3 million in excess tax benefits as cash from financing activities rather than cash from operating activities on our Statements of Consolidated Cash Flows for the years ended December 31, 2012, 2011 and 2010, respectively.

Employees' Plans

On May 11, 2010, our shareholders approved and adopted an amendment and restatement of the ICE Plan to increase the authorized number of shares available for issuance under the plan and to provide an annual limitation on the number of shares available to grant to any one participant in any fiscal year of 500,000 common shares. As of December 31, 2011, our ICE Plan authorized up to 11,000,000 of our common shares to be issued as stock options, SARs, restricted shares, restricted share units, retention units, deferred shares and performance shares or performance units. Any of the foregoing awards may be made subject to attainment of performance goals over a performance period of one or more years. Each stock option and SAR will reduce the common shares available under the ICE Plan by one common share. Each other award will reduce the common shares available under the ICE Plan by two common shares. The performance shares and performance share units are intended to meet the requirements of section 162(m) of the Internal Revenue Code for deduction.

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For the outstanding ICE Plan award agreements, each performance share, if earned, entitles the holder to receive a number of common shares or cash within the range between a threshold and maximum number of our common shares, with the actual number of common shares earned dependent upon whether the Company achieves certain objectives and performance goals as established by the Committee. The performance share or unit grants vest over a period of three years and are intended to be paid out in common shares or cash in certain circumstances. Performance for the 2010 to 2012 performance period and 2011 to 2013 performance period is measured on the basis of two factors: 1) relative TSR for the period and 2) three-year cumulative free cash flow. The relative TSR for the 2010 to 2012 performance period is measured against a predetermined peer group of mining and metals companies and for the 2011 to 2013 performance period is measured against the constituents of the S&P Metals and Mining ETF Index on the last day of trading of the incentive period. Performance for the 2012 to 2014 performance period is measured only on the basis of relative TSR for the period and measured against the constituents of the S&P Metals and Mining ETF Index on the last day of trading of the incentive period. The final payout for the 2010 to 2012 performance period will vary from zero to 150 percent of the original grant. The final payouts for the 2011 to 2013 performance period and the 2012 to 2014 performance period will vary from zero to 200 percent of the original grant. The restricted share units are subject to continued employment, are retention based, will vest at the end of the respective performance period for the performance shares, and are payable in common shares or cash in certain circumstances at a time determined by the Committee at its discretion.

Upon the occurrence of a change in control, all performance shares, restricted share units, restricted stock, performance units and retention units granted to a participant will vest and become nonforfeitable and will be paid out in cash.

Following is a summary of our Performance Share Award Agreements currently outstanding:

Performance Share Plan Year	Performance Shares Outstanding		Forfeitures (1)	Grant Date	Performance Period
2012	278,856		30,984	March 12, 2012	1/1/2012 - 12/31/2014
2011	169,442		18,829	March 8, 2011	1/1/2011 - 12/31/2013
2011	2,090		—	April 14, 2011	1/1/2011 - 12/31/2013
2011	1,290		—	May 2, 2011	1/1/2011 - 12/31/2013
2010	219,056		14,114	March 8, 2010	1/1/2010 - 12/31/2012
2010	12,480	(2)	—	March 8, 2010	12/31/2009 - 12/31/2013
2010	590		—	April 12, 2010	1/1/2010 - 12/31/2012
2010	2,130		—	April 26, 2010	1/1/2010 - 12/31/2012
2010	12,080		—	May 3, 2010	1/1/2010 - 12/31/2012
2010	550		—	June 14, 2010	1/1/2010 - 12/31/2012
2010	670		—	August 16, 2010	1/1/2010 - 12/31/2012
2009	44,673	(2)	—	December 17, 2009	12/31/2009 - 12/31/2013

(1) The 2012 and 2011 awards are based on assumed forfeitures. The 2010 awards reflect actual forfeitures.

(2) Represents the target payout as of December 31, 2012 related to the 67,009 shares awarded on December 17, 2009 and the 18,720 shares awarded on March 8, 2010 based upon the Compensation Committee’s ability to exercise negative discretion. For accounting purposes, a grant value has not yet been determined for these awards.

On March 12, 2012, the Compensation and Organization Committee (“Committee”) of the Board of Directors approved a grant under our shareholder-approved ICE Plan for the performance period 2012 – 2014. A total of 426,610 shares were granted under the award, consisting of 312,540 performance shares and 114,070 restricted share units.

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The performance shares awarded under the ICE Plan to the Company's Chief Executive Officer on December 17, 2009 and March 8, 2010 of 67,009 shares and 18,720 shares met the aggregate value-added performance objective under the award terms as of December 31, 2010. The number of shares paid out under these particular awards at the end of each incentive period will be determined by the Compensation Committee based upon the achievement of certain other performance factors evaluated solely at the Compensation Committee's discretion and may be reduced from the 67,009 shares and 18,720 shares granted. Based on the Compensation Committee's ability to exercise negative discretion, the targeted payout for the award was 44,673 shares and 12,480 shares, respectively, as of December 31, 2012. These other performance factors are in addition to the aggregate value-added performance objective. As a result of this uncertainty, a grant date has not yet been determined for this award for purposes of measuring and recognizing compensation cost.

The ICE Plan was terminated on May 8, 2012 and no shares will be issued from the ICE Plan after this date. Upon termination of the ICE Plan, all awards previously granted under the ICE Plan shall continue in full force and effect in accordance with the terms of the award.

Our Board of Directors approved the new 2012 Equity Plan on March 13, 2012 and our shareholders approved it on May 8, 2012, effective as of March 13, 2012. The new 2012 Equity Plan replaced the ICE Plan. The maximum number of shares that may be issued under the 2012 Equity Plan is 6,000,000. A total of 23,575 shares were granted under the 2012 Equity Plan as of December 31, 2012.

Nonemployee Directors

The Directors' Plan authorizes us to issue up to 800,000 common shares to nonemployee Directors. Under the Share Ownership Guidelines in effect for 2012, or Guidelines, a Director is required by the end of five years from date of election or September 1, 2010, whichever is later, to hold common shares with a market value of at least $250,000. If, as of December 1 annually, the nonemployee Director does not meet the Guidelines, the nonemployee Director must take a portion of the annual retainer fee in common shares with a market value of $24,000 ("Required Retainer") until such time as the nonemployee Director reaches the ownership required by the Guidelines. Once the nonemployee Director meets the Guidelines, the nonemployee Director may elect to receive the Required Retainer in cash. In 2010, the nonemployee Directors received an annual retainer fee of $50,000. Effective April 1, 2011, they became entitled to receive an annual retainer fee of $60,000.

The Directors' Plan also provides for an Annual Equity Grant, or Equity Grant. The Equity Grant is awarded at our annual meeting each year to all nonemployee Directors elected or re-elected by the shareholders and a pro-rata amount is awarded to new directors upon their appointment. The value of the Equity Grant is payable in restricted shares with a three-year vesting period from the date of grant. The closing market price of our common shares on our annual meeting date is divided into the Equity Grant to determine the number of restricted shares awarded. In 2010, nonemployee directors each received Equity Grants of $75,000. This amount was increased to $80,000 effective May 17, 2011 and was increased again effective May 8, 2012 to $85,000. The Directors' Plan offers the nonemployee Director the opportunity to defer all or a portion of the Directors' annual retainer fee, committee chair retainers, meeting fees and the Equity Grant into the Directors' Plan. A nonemployee Director who is 69 or older at the Equity Grant date will receive common shares with no restrictions.

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For the last three years, Equity Grant shares have been awarded to elected or re-elected nonemployee Directors as follows:

Year of Grant	Unrestricted Equity Grant Shares	Restricted Equity Grant Shares	Deferred Equity Grant Shares
2010	3,963	7,926	1,321
2011	1,850	6,475	1,850
2012	1,498	8,988	2,996

Other Information

The following table summarizes the share-based compensation expense that we recorded for continuing operations in 2012, 2011 and 2010:

	(In Millions, except per share amount)		
	2012	2011	2010
Cost of goods sold and operating expenses	$4.0	$2.7	$2.8
Selling, general and administrative expenses	16.6	13.2	12.7
Reduction of operating income from continuing operations before income taxes and equity income (loss) from ventures	20.6	15.9	15.5
Income tax benefit	(7.2)	(5.6)	(5.4)
Reduction of net income attributable to Cliffs shareholders	$13.4	$10.3	$10.1
Reduction of earnings per share attributable to Cliffs shareholders:			
Basic	$0.09	$0.07	$0.07
Diluted	$0.09	$0.07	$0.07

Determination of Fair Value

The fair value of each grant is estimated on the date of grant using a Monte Carlo simulation to forecast relative TSR performance. A correlation matrix of historic and projected stock prices was developed for both the Company and our predetermined peer group of mining and metals companies. The fair value assumes that performance goals will be achieved.

The expected term of the grant represents the time from the grant date to the end of the service period for each of the three plan-year agreements. We estimate the volatility of our common shares and that of the peer group of mining and metals companies using daily price intervals for all companies. The risk-free interest rate is the rate at the grant date on zero-coupon government bonds, with a term commensurate with the remaining life of the performance plans.

The following assumptions were utilized to estimate the fair value for the 2012 performance share grants:

Grant Date	Grant Date Market Price	Average Expected Term (Years)	Expected Volatility	Risk-Free Interest Rate	Dividend Yield	Fair Value	Fair Value (Percent of Grant Date Market Price)
March 12, 2012	$63.62	2.80	56.0%	0.45%	3.93%	$77.78	122.26%

The fair value of the restricted share units is determined based on the closing price of the Company’s common shares on the grant date. The restricted share units granted under either the ICE Plan or 2012 Equity Plan vest over a period of three years.

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Restricted stock, deferred stock allocation and performance share activity under our long-term equity plans and Directors' Plans are as follows:

	2012		2011		2010	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Restricted awards:						
Outstanding and restricted at beginning of year	425,166		371,712		290,702	
Granted during the year	151,869		125,059		133,666	
Vested	(161,741)		(61,330)		(50,156)	
Cancelled	(21,507)		(10,275)		(2,500)	
Outstanding and restricted at end of year	393,787		425,166		371,712	
Performance shares:						
Outstanding at beginning of year	877,435		843,238		823,393	
Granted during the year (1)	501,346		263,816		376,524	
Issued (2)	(574,518)		(215,870)		(343,321)	
Forfeited/cancelled	(31,779)		(13,749)		(13,358)	
Outstanding at end of year	772,484		877,435		843,238	
Vested or expected to vest as of December 31, 2012	743,907					
Directors' retainer and voluntary shares:						
Outstanding at beginning of year	2,611		2,509		4,596	
Granted during the year	1,823		1,815		2,075	
Vested	(1,554)		(1,713)		(4,162)	
Outstanding at end of year	2,880		2,611		2,509	
Reserved for future grants or awards at end of year:						
Employee plans	11,568,719					
Directors' plans	94,848					
Total	11,663,567					

(1) The shares granted during the year include 191,506 shares, 71,956 shares and 114,371 shares for each year presented, respectively, related to the 50 percent payout associated with the prior-year pool as actual payout exceeded target.

(2) For each year presented, the shares vested on December 31, 2011, December 31, 2010 and December 31, 2009, respectively, and were valued on February 13, 2012, February 14, 2011 and February 19, 2010, respectively.

A summary of our outstanding share-based awards as of December 31, 2012 is shown below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of year	1,305,212	$43.19
Granted	655,038	$68.85
Vested	(737,813)	$11.70
Forfeited/expired	(53,286)	$76.44
Outstanding, end of year	1,169,151	$61.81

The total compensation cost related to outstanding awards not yet recognized is $28.0 million at December 31, 2012. The weighted average remaining period for the awards outstanding at December 31, 2012 is approximately 1.9 years.

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NOTE 15 - INCOME TAXES

Income (Loss) from Continuing Operations Before Income Taxes and Equity Income (Loss) from Ventures includes the following components:

	(In Millions)		
	2012	2011	2010
United States	$838.6	$1,506.5	$602.1
Foreign	(1,340.4)	684.0	664.3
	$(501.8)	$2,190.5	$1,266.4

The components of the provision (benefit) for income taxes on continuing operations consist of the following:

	(In Millions)		
	2012	2011	2010
Current provision (benefit):			
United States federal	$71.1	$246.8	$109.6
United States state & local	7.6	2.8	2.6
Foreign	50.2	224.7	155.1
	128.9	474.3	267.3
Deferred provision (benefit):			
United States federal	221.2	23.8	61.1
United States state & local	1.4	4.7	5.2
Foreign	(95.6)	(95.1)	(51.1)
	127.0	(66.6)	15.2
Total provision on income (loss) from continuing operations	$255.9	$407.7	$282.5

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Reconciliation of our income tax attributable to continuing operations computed at the U.S. federal statutory rate is as follows:

	(In Millions)		
	2012	2011	2010
Tax at U.S. statutory rate of 35 percent	$(175.6)	$766.7	$443.2
Increase (decrease) due to:			
Foreign exchange remeasurement	62.3	(62.6)	—
Non-taxable loss (income) related to noncontrolling interests	61.0	(63.6)	—
Impact of tax law change	(357.1)	—	16.1
Percentage depletion in excess of cost depletion	(109.1)	(153.4)	(103.1)
Impact of foreign operations	65.2	(44.0)	(89.0)
Legal entity restructuring	—	—	(87.4)
Income not subject to tax	(108.0)	(67.5)	—
Goodwill impairment	202.2	—	—
Non-taxable hedging income	—	(32.4)	—
State taxes, net	7.3	7.5	3.1
Manufacturer’s deduction	(4.7)	(11.9)	—
Valuation allowance	634.5	49.5	83.3
Tax uncertainties	(14.8)	17.7	27.7
Other items — net	(7.3)	1.7	(11.4)
Income tax expense	$255.9	$407.7	$282.5

The components of income taxes for other than continuing operations consisted of the following:

	(In Millions)		
	2012	2011	2010
Other comprehensive (income) loss:			
Pension/OPEB liability	$13.8	$(60.2)	$14.0
Mark-to-market adjustments	1.7	(17.7)	1.7
Other	2.6	—	—
Total	$18.1	$(77.9)	$15.7
Paid in capital — stock based compensation	$(12.8)	$(4.6)	$(4.0)
Discontinued Operations	$10.4	$3.2	$9.5

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Significant components of our deferred tax assets and liabilities as of December 31, 2012 and 2011 are as follows:

	(In Millions)	
	2012	2011
Deferred tax assets:		
Pensions	$161.2	$154.8
MRRT starting base allowance	357.1	—
Postretirement benefits other than pensions	87.7	109.8
Alternative minimum tax credit carryforwards	274.9	228.5
Capital loss carryforwards	—	3.8
Investment in ventures	14.1	—
Asset retirement obligations	48.2	42.9
Operating loss carryforwards	396.4	260.7
Product inventories	45.4	30.1
Properties	49.2	44.8
Lease liabilities	31.0	38.8
Other liabilities	140.9	149.3
Total deferred tax assets before valuation allowance	1,606.1	1,063.5
Deferred tax asset valuation allowance	858.4	223.9
Net deferred tax assets	747.7	839.6
Deferred tax liabilities:		
Properties	1,350.5	1,345.0
Investment in ventures	207.6	155.9
Intangible assets	24.6	13.5
Income tax uncertainties	48.5	56.7
Financial derivatives	1.6	1.3
Product inventories	19.6	—
Other assets	101.9	98.2
Total deferred tax liabilities	1,754.3	1,670.6
Net deferred tax (liabilities) assets	$(1,006.6)	$(831.0)

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The deferred tax amounts are classified in the Statements of Consolidated Financial Position as current or long-term consistently with the asset or liability to which they relate. Following is a summary:

	(In Millions)	
	2012	2011
Deferred tax assets:		
United States		
Current	$5.2	$17.7
Long-term	—	162.8
Total United States	5.2	180.5
Foreign		
Current	3.8	4.2
Long-term	151.5	46.7
Total deferred tax assets	160.5	231.4
Deferred tax liabilities:		
United States	58.4	—
Foreign		
Long-term	1,108.7	1,062.4
Total deferred tax liabilities	1,167.1	1,062.4
Net deferred tax (liabilities)	$(1,006.6)	$(831.0)

At December 31, 2012 and 2011, we had $274.9 million and $228.5 million, respectively, of gross deferred tax assets related to U.S. alternative minimum tax credits that can be carried forward indefinitely.

We had gross state and foreign net operating loss carry forwards of $185.0 million, and $2.1 billion, respectively, at December 31, 2012. We had gross state and foreign net operating loss carryforwards at December 31, 2011 of, $147.1 million and $780.5 million, respectively. State net operating losses will begin to expire in 2022, and the foreign net operating losses will begin to expire in 2015. We had foreign tax credit carryforwards of $5.8 million at December 31, 2012 and December 31, 2011. The foreign tax credit carryforwards will begin to expire in 2020.

We recorded a $634.5 million net increase in the valuation allowance of certain deferred tax assets where management believes that realization of the related deferred tax assets is not more likely than not. Of this amount, $41.3 million relates to ordinary losses of certain foreign and state operations for which future utilization is currently uncertain, $11.0 million relates to certain foreign assets where tax basis exceeds book basis, $226.4 million relates to management's conclusion that it was more likely than not that the deferred tax asset related to the Alternative Minimum Tax credit would not be utilized and $357.1 million relates to the MRRT starting base deferred tax asset that has been determined to be unrealizable, and $1.2 million of previously recorded valuation allowance was reversed related to capital loss carryforwards that will be utilized.

At December 31, 2012 and 2011, cumulative undistributed earnings of foreign subsidiaries included in consolidated retained earnings amounted to $0.8 billion and $1.0 billion, respectively. These earnings are indefinitely reinvested in international operations. Accordingly, no provision has been made for U.S. deferred taxes related to future repatriation of these earnings, nor is it practical to estimate the amount of income taxes that would have to be provided if we were to conclude that such earnings will be remitted in the foreseeable future.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(In Millions)		
	2012	2011	2010
Unrecognized tax benefits balance as of January 1	$102.1	$79.8	$75.2
Increases for tax positions in prior years	2.7	42.1	1.9
Increases for tax positions in current year	11.1	29.5	—
Increase due to foreign exchange	—	—	0.7
Settlements	(60.4)	(3.5)	—
Lapses in statutes of limitations	—	(45.8)	—
Other	—	—	2.0
Unrecognized tax benefits balance as of December 31	$55.5	$102.1	$79.8

At December 31, 2012 and 2011, we had $55.5 million and $102.1 million, respectively, of unrecognized tax benefits recorded. Of this amount, $7.0 million and $45.6 million are recorded in Other liabilities and $48.5 million and $56.5 million are recorded as deferred tax assets in the Statements of Consolidated Financial Position. An agreement was reached with the taxing authorities resulting in a reversal of a prior liability for an uncertain tax position, the financial statement impact of which was an income tax benefit of $26.9 million. Additionally, the closure of a foreign examination resulted in the reversal of an unrecognized tax benefit in the amount of $23.8 million. The related liability was paid in a previous period, and there is no current period income statement impact resulting from this item. If the $55.5 million were recognized, the full amount would impact the effective tax rate. We do not expect that the amount of unrecognized tax benefits will change significantly within the next twelve months. At December 31, 2012 and 2011, we had $0.8 million and $2.5 million, respectively, of accrued interest and penalties related to the unrecognized tax benefits recorded in Other liabilities in the Statements of Consolidated Financial Position.

Tax years that remain subject to examination are years 2009 and forward for the U.S., 2006 and forward for Canada, and 2007 and forward for Australia.

NOTE 16 - CAPITAL STOCK

Dividends

A $0.14 per share cash dividend was paid on each of March 1, 2011 and June 1, 2011 to our shareholders of record as of February 15, 2011 and April 29, 2011, respectively. On July 12, 2011, our Board of Directors increased the quarterly common share dividend by 100 percent to $0.28 per share. The $0.28 cash dividend was paid on September 1, 2011, December 1, 2011 and March 1, 2012 to our shareholders of record as of the close of business on August 15, 2011, November 18, 2011 and February 15, 2012, respectively. On March 13, 2012, our Board of Directors increased the quarterly common share dividend by 123 percent to $0.625 per share. The increased cash dividend of $0.625 was paid on June 1, 2012, August 31, 2012 and December 3, 2012 to our shareholders of record as of the close of business on April 27, 2012, August 15, 2012 and November 23, 2012, respectively.

Share Repurchase Plan

On August 15, 2011, our Board of Directors approved a share repurchase plan that authorized us to purchase up to four million of our outstanding common shares. The new share repurchase plan replaced the previously existing share repurchase plan and allowed for the purchase of common shares from time to time in open market purchases or privately negotiated transactions. During the second half of 2011, all of the common shares were repurchased at a cost of approximately $289.8 million in the aggregate, or an average price of approximately $72.44 per share, thus terminating the plan.

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Public Offering

On June 13, 2011, we completed a public offering of our common shares. The total number of shares sold was 10.35 million, comprised of the 9.0 million share offering and the exercise of an underwriters' over-allotment option to purchase an additional 1.35 million shares. The offering resulted in an increase in the number of our common shares issued and outstanding as of June 30, 2011. We received net proceeds of approximately $854 million at a closing price of $85.63 per share.

Amendment to the Second Amended Articles of Incorporation

On May 25, 2011, our shareholders approved an amendment to our Second Amended Articles of Incorporation to increase the number of authorized common shares from 224,000,000 to 400,000,000, which resulted in an increase in the total number of authorized shares from 231,000,000 to 407,000,000. The total number of authorized shares includes 3,000,000 and 4,000,000 shares of Class A and Class B, respectively, of unauthorized and unissued preferred stock.

NOTE 17 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of Accumulated other comprehensive income (loss) within Cliffs shareholders' equity and related tax effects allocated to each are shown below as of December 31, 2012, 2011 and 2010:

	(In Millions)		
	Pre-tax Amount	Tax Benefit (Provision)	After-tax Amount
As of December 31, 2010:			
Postretirement benefit liability	$(452.0)	$146.9	$(305.1)
Foreign currency translation adjustments	329.9	(15.2)	314.7
Unrealized net gain on derivative financial instruments	3.9	(1.2)	2.7
Unrealized gain on securities	46.9	(13.3)	33.6
	$(71.3)	$117.2	$45.9
As of December 31, 2011:			
Postretirement benefit liability	$(615.9)	$207.0	$(408.9)
Foreign currency translation adjustments	312.5	—	312.5
Unrealized net gain on derivative financial instruments	1.7	(0.5)	1.2
Unrealized gain on securities	2.5	0.1	2.6
	$(299.2)	$206.6	$(92.6)
As of December 31, 2012:			
Postretirement benefit liability	$(576.7)	$194.0	$(382.7)
Foreign currency translation adjustments	316.3	—	316.3
Unrealized net gain on derivative financial instruments	12.4	(3.7)	8.7
Unrealized gain on securities	3.3	(1.2)	2.1
	$(244.7)	$189.1	$(55.6)

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The following table reflects the changes in Accumulated other comprehensive income (loss) related to Cliffs shareholders' equity for 2012, 2011 and 2010:

	(In Millions)				
	Postretirement Benefit Liability, net of tax	Unrealized Net Gain (Loss) on Securities, net of tax	Unrealized Net Gain on Foreign Currency Translation	Net Unrealized Gain on Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2009	$(319.1)	$29.4	$163.1	$4.0	$(122.6)
Change during 2010	$14.0	$4.2	$151.6	$(1.3)	$168.5
Balance December 31, 2010	$(305.1)	$33.6	$314.7	$2.7	$45.9
Change during 2011	$(103.8)	$(31.0)	$(2.2)	$(1.5)	$(138.5)
Balance December 31, 2011	$(408.9)	$2.6	$312.5	$1.2	$(92.6)
Change during 2012	26.2	(0.5)	3.8	7.5	37.0
Balance December 31, 2012	$(382.7)	$2.1	$316.3	$8.7	$(55.6)

NOTE 18 - RELATED PARTIES

Three of our five U.S. iron ore mines and one of our two Eastern Canadian iron ore mines are owned with various joint venture partners that are integrated steel producers or their subsidiaries. We are the manager of each of the mines we co-own and rely on our joint venture partners to make their required capital contributions and to pay for their share of the iron ore pellets and concentrate that we produce. The joint venture partners are also our customers. The following is a summary of the mine ownership of these iron ore mines at December 31, 2012:

Mine	Cliffs Natural Resources	ArcelorMittal	U.S. Steel Canada	WISCO
Empire	79.0	21.0	—	—
Tilden	85.0	—	15.0	—
Hibbing	23.0	62.3	14.7	—
Bloom Lake	75.0	—	—	25.0

ArcelorMittal has a unilateral right to put its interest in the Empire mine to us, but has not exercised this right to date.

Product revenues from related parties were as follows:

	(In Millions)		
	Year Ended December 31,		
	2012	2011	2010
Product revenues from related parties	$1,660.8	$2,192.4	$1,165.5
Total product revenues	5,520.9	6,321.3	4,218.5
Related party product revenue as a percent of total product revenue	30.1 %	34.7 %	27.6 %

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Amounts due from related parties recorded in Accounts receivable, net and Derivative assets, including customer supply agreements and provisional pricing arrangements, were $149.8 million and $180.4 million at December 31, 2012 and 2011, respectively. Amounts due to related parties recorded in Other current liabilities, including provisional pricing arrangements and liabilities to minority parties, were $20.2 million and $43.0 million at December 31, 2012 and 2011, respectively.

In 2002, we entered into an agreement with Ispat that restructured the ownership of the Empire mine and increased our ownership from 46.7 percent to 79.0 percent in exchange for assumption of all mine liabilities. Under the terms of the agreement, we indemnified Ispat from obligations of Empire in exchange for certain future payments to Empire and to us by Ispat of $120.0 million, recorded at a present value of $19.3 million and $26.5 million at December 31, 2012 and 2011, respectively. Of these amounts, $9.3 million and $16.5 million were classified as Other non-current assets at December 31, 2012 and 2011, respectively, with the balances current, over the 12-year life of the supply agreement.

Supply agreements with one of our customers include provisions for supplemental revenue or refunds based on the customer's annual steel pricing for the year the product is consumed in the customer's blast furnace. The supplemental pricing is characterized as an embedded derivative. Refer to NOTE 3 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

NOTE 19 - EARNINGS PER SHARE

The following table summarizes the computation of basic and diluted earnings per share attributable to Cliffs shareholders:

	Year Ended December 31,		
	2012	2011	2010
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	$(935.3)	$1,599.0	$997.4
Income (Loss) and Gain on Sale from Discontinued Operations, net of tax	35.9	20.1	22.5
Net Income (Loss) Attributable to Cliffs Shareholders	$(899.4)	$1,619.1	$1,019.9
Weighted Average Number of Shares:			
Basic	142.4	140.2	135.3
Employee Stock Plans	—	0.8	0.8
Diluted	142.4	141.0	136.1
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Basic:			
Continuing operations	$(6.57)	$11.41	$7.37
Discontinued operations	0.25	0.14	0.17
	$(6.32)	$11.55	$7.54
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Diluted:			
Continuing operations	$(6.57)	$11.34	$7.32
Discontinued operations	0.25	0.14	0.17
	$(6.32)	$11.48	$7.49

NOTE 20 - COMMITMENTS AND CONTINGENCIES

We have total contractual obligations and binding commitments of approximately $14.6 billion as of December 31, 2012 compared with $11.0 billion as of December 31, 2011, primarily related to purchase commitments, principal and interest payments on long-term debt, lease obligations, pension and OPEB funding

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minimums, and mine closure obligations. Such future commitments total approximately $1.6 billion in 2013, $0.7 billion in 2014, $0.9 billion in 2015, $0.8 billion in 2016, $0.8 billion in 2017 and $9.7 billion thereafter.

Purchase Commitments

In 2011, we began to incur capital commitments related to the expansion of the Bloom Lake mine. The Phase II expansion project requires a capital investment of over $1.3 billion including the expansion of the mine and the mine's processing capabilities. The capital investment also includes common infrastructure necessary to sustain current operations and support the expansion. As previously announced, at the Bloom Lake mine we are delaying certain components of the Phase II expansion, including the completion of the concentrator and load out facility. Pre-stripping activities to develop the working faces of Bloom Lake's ore body, supporting both Phase I and Phase II mine development are, however, continuing as planned. Depending on market conditions, we now expect to complete Phase II construction in 2014. Through December 31, 2012, approximately $1.1 billion of the total capital investment required for the Bloom Lake expansion project had been committed, of which a total of approximately $734 million had been expended. Of the remaining committed capital, expenditures of approximately $393 million are expected to be made during 2013.

Contingencies

Litigation

We are currently a party to various claims and legal proceedings incidental to our operations. If management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material effect on our financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, additional funding requirements or an injunction. If an unfavorable ruling were to occur, there exists the possibility of a material impact on the financial position and results of operations of the period in which the ruling occurs, or future periods. However, we believe that any pending litigation will not result in a material liability in relation to our consolidated financial statements.

Environmental Matters

We had environmental liabilities of $15.7 million and $15.5 million at December 31, 2012 and 2011, respectively, including obligations for known environmental remediation exposures at active and closed mining operations and other sites. These amounts have been recognized based on the estimated cost of investigation and remediation at each site, and include site studies, design and implementation of remediation plans, legal and consulting fees, and post-remediation monitoring and related activities. If the cost can only be estimated as a range of possible amounts with no specific amount being more likely, the minimum of the range is accrued. Future expenditures are not discounted unless the amount and timing of the cash disbursements are readily known. Potential insurance recoveries have not been reflected. Additional environmental obligations could be incurred, the extent of which cannot be assessed. The amount of our ultimate liability with respect to these matters may be affected by several uncertainties, primarily the ultimate cost of required remediation and the extent to which other responsible parties contribute. Refer to NOTE 12 - ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS for further information.

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Tax Matters

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. Refer to NOTE 15 - INCOME TAXES for further information.

NOTE 21 - CASH FLOW INFORMATION

A reconciliation of capital additions to cash paid for capital expenditures for the year ended December 31, 2012 and 2011 is as follows:

	(In Millions)		
	Year Ended December 31,		
	2012	2011	2010
Capital additions	$1,335.3	$960.9	$275.8
Cash paid for capital expenditures (1)	1,127.5	862.1	209.6
Difference	$207.8	$98.8	$66.2
Non-cash accruals	$152.5	$60.1	$8.9
Capital leases	55.3	38.7	57.3
Total	$207.8	$98.8	$66.2

(1) Cash paid for capital expenditures for 2011 and 2010 has been shown net of cash proceeds of $18.6 million and $57.3 million, respectively, from the Pinnacle longwall sale- leaseback that was completed in October 2011 and December 2010. The adjustment was necessary in 2011 and 2010 due to the timing of the cash payments related to the longwall.

Cash payments for interest and income taxes in 2012, 2011 and 2010 are as follows:

	(In Millions)		
	2012	2011	2010
Taxes paid on income	$443.2	$275.3	$208.3
Interest paid on debt obligations	207.5	175.1	34.2

Non-cash investing activities as of December 31, 2010 include the issuance of 4.2 million of our common shares valued at $173.1 million as part of the purchase consideration for the acquisition of the remaining interest in Freewest. Non-cash items as of December 31, 2010 also include gains of $38.6 million primarily related to the remeasurement of our previous ownership interest in Freewest and Wabush held prior to each business acquisition.

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NOTE 22 - SUBSEQUENT EVENTS

On February 8, 2013, we amended the Term Loan Agreement among Cliffs Natural Resources Inc. and various lenders dated March 4, 2011, as amended, and the Amended and Restated Multicurrency Credit Agreement among Cliffs Natural Resources and various lenders dated August 11, 2011 (as further amended by Amendment No. 1 as of October 16, 2012) to effect the following:

- Suspend the current Funded Debt to EBITDA ratio requirement for all quarterly measurement periods in 2013, after which point it will revert back to the debt to earnings ratio for the period ending March 31, 2014 until maturity.
- Require a Minimum Tangible Net Worth of approximately $4.6 billion as of each of the three-month periods ended March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013. Minimum Tangible Net Worth, in accordance with the amended revolving credit agreement and term loan agreement, is defined as total shareholders' equity less goodwill and intangible assets.
- Maintain a Maximum Total Funded Debt to Capitalization of 52.5 percent from the amendments' effective date until the period ending December 31, 2013.
- The amended agreements retain the Minimum Interest Coverage Ratio requirement of 2.5 to 1, as defined above.

Per the terms of the amended revolving credit and term loan agreements, we are subject to higher borrowing costs. The applicable interest rate is determined by reference to the former Funded Debt to EBITDA ratio. Based on the amended terms, borrowing costs could increase as much as 0.5 percent relative to the outstanding borrowings, as well as 0.1 percent on unborrowed amounts. Furthermore, the amended revolving credit agreement and term loan agreement place certain restrictions upon our declaration and payment of dividends, our ability to consummate acquisitions and the debt levels of our subsidiaries.

On February 11, 2013, our Board of Directors approved a reduction to our quarterly cash dividend rate by 76 percent to $0.15 per share. Our Board of Directors took this step in order to improve the future cash flows available for investment in the Phase II expansion at Bloom Lake, as well as to preserve our investment-grade credit ratings.

We have evaluated subsequent events through the date of financial statement issuance.

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NOTE 23 - QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The sum of quarterly EPS may not equal EPS for the year due to discrete quarterly calculations.

	(In Millions, Except Per Share Amounts)				
	2012				
	Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$1,212.4	$1,579.5	$1,544.9	$1,535.9	$5,872.7
Sales margin	291.8	443.5	198.3	238.5	1,172.1
Net Income (Loss) from Continuing Operations attributable to Cliffs shareholders	$370.3	$255.7	$87.8	$(1,649.1)	$(935.3)
Income (Loss) and Gain on Sale from Discontinued Operations, net of tax	5.5	2.3	(2.7)	30.8	35.9
Net Income (Loss) Attributable to Cliffs Shareholders	$375.8	$258.0	$85.1	$(1,618.3)	$(899.4)
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Basic:					
Continuing operations	$2.60	$1.79	$0.62	$(11.58)	$(6.57)
Discontinued operations	0.04	0.02	(0.02)	0.22	0.25
	$2.64	$1.81	$0.60	$(11.36)	$(6.32)
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Diluted:					
Continuing operations	$2.59	$1.79	$0.61	$(11.58)	$(6.57)
Discontinued operations	0.04	0.02	(0.02)	0.22	0.25
	$2.63	$1.81	$0.59	$(11.36)	$(6.32)
	2011				
	Quarters				
	First	Second	Third	Fourth	Year
Revenues from product sales and services	$1,147.9	$1,723.2	$2,089.1	$1,603.7	$6,563.9
Sales margin	588.5	699.2	843.1	480.1	2,610.9
Net Income from Continuing Operations attributable to Cliffs shareholders	$419.3	$392.8	$618.0	$168.9	$1,599.0
Income (Loss) and Gain on Sale from Discontinued Operations, net of tax	4.1	16.3	(16.8)	16.5	20.1
Net Income Attributable to Cliffs Shareholders	$423.4	$409.1	$601.2	$185.4	$1,619.1
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Basic:					
Continuing operations	$3.09	$2.82	$4.29	$1.19	$11.41
Discontinued operations	0.03	0.12	(0.12)	0.11	0.14
	$3.12	$2.94	$4.17	$1.30	$11.55
Earnings (loss) per Common Share Attributable to Cliffs Shareholders - Diluted:					
Continuing operations	$3.08	$2.80	$4.27	$1.18	$11.34
Discontinued operations	0.03	0.12	(0.12)	0.12	0.14
	$3.11	$2.92	$4.15	$1.30	$11.48

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Immaterial Errors

In September 2011, we noted an error in the accounting for the 21 percent noncontrolling interest in the Empire mine. In accordance with applicable GAAP, management quantitatively and qualitatively evaluated the materiality of the error and determined the error to be immaterial to the quarterly reports previously filed for the periods ended March 31, 2011 and June 30, 2011 and also immaterial for the quarterly report for the period ended September 30, 2011. Accordingly, all of the resulting adjustments were recorded prospectively in the Statements of Consolidated Operations for the three and nine months ended September 30, 2011 and the Statements of Consolidated Financial Position as of September 30, 2011. The adjustment to record the noncontrolling interest related to the Empire mining venture of $84.0 million resulted in an increase to Income (Loss) from Continuing Operations of $16.1 million, as a result of reductions in income tax expenses and a decrease to Net Income (Loss) Attributable to Cliffs Shareholders of $67.9 million in the Statements of Consolidated Operations for the three and nine months ended September 30, 2011. The adjustments resulted in a decrease to basic and diluted earnings per common share of $0.47 per common share for the three months ended September 30, 2011, and $0.49 and $0.48 per common share for the nine months ended September 30, 2011, respectively. In addition, Retained Earnings was decreased by $67.9 million and Noncontrolling Interest was increased by $84.0 million in the Statements of Consolidated Financial Position as of September 30, 2011.

In addition to the noncontrolling interest adjustment, the application of consolidation accounting for the Empire partnership arrangement also resulted in several financial statement line item reclassifications in the Statements of Consolidated Operations for the three and nine months ended September 30, 2011. Under the captive cost company accounting, we historically recorded the reimbursements for our venture partners' cost through Freight and venture partners' cost reimbursements, with a corresponding offset in Cost of goods sold and operating expenses in the Statements of Consolidated Operations. Accordingly, we reclassified $46.0 million of revenues from Freight and venture partners' cost reimbursements to Product revenues in the Statements of Consolidated Operations for the three and nine months ended September 30, 2011. We also reclassified $54.1 million related to the ArcelorMittal price re-opener settlement recorded during the first quarter of 2011 from Cost of goods sold and operating expenses to Product revenues in the Statements of Consolidated Operations for the three and nine months ended September 30, 2011.

Discontinued Operations

On July 10, 2012, we entered into a definitive share and asset sale agreement to sell our 45 percent economic interest in the Sonoma joint venture coal mine located in Queensland, Australia. Upon completion of the transaction on November 13, 2012, we collected approximately AUD $141.0 million in cash proceeds. The assets sold included our interests in the Sonoma mine along with our ownership of the affiliated washplant. As of September 30, 2012, we began reflecting the results of the Sonoma operations as discontinued operations in the Statements of Consolidated Operations for all periods presented. The Sonoma operations historically were reported as the Asia Pacific Coal operating segment. Refer to NOTE 7 - DISCONTINUED OPERATIONS for additional information.

Fourth Quarter Results

During the fourth quarter of 2012 after performing our annual goodwill impairment test, we determined that $997.3 million and $2.7 million of goodwill associated with our CQIM and Wabush reporting units, respectively, was impaired. We also recorded an asset impairment charge of $49.9 million related to the Wabush mine pelletizing operations during the period. In addition, during the fourth quarter, we recorded tax expense of $314.7 million and $226.4 million related to the MRRT starting base deferred tax asset net valuation allowance and Alternative Minimum Tax credit valuation allowance, respectively.

Refer to NOTE 8 - GOODWILL AND OTHER INTANGIBLE ASSETS AND LIABILITIES, NOTE 5 - PROPERTY, PLANT AND EQUIPMENT and NOTE 15 - INCOME TAXES for further information.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cliffs Natural Resources Inc.
Cleveland, Ohio

We have audited the internal control over financial reporting of Cliffs Natural Resources Inc. and subsidiaries (the "Company") as of December 31, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2012 of the Company and our report dated February 12, 2013 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP
Cleveland, Ohio
February 12, 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Directors and Stockholders of
Cliffs Natural Resources Inc.
Cleveland, Ohio

We have audited the accompanying statements of consolidated financial position of Cliffs Natural Resources Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related statements of consolidated operations, comprehensive income (loss), cash flows, and changes in equity for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cliffs Natural Resources Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Cleveland, Ohio
February 12, 2013

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

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Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined under Rule 13a-15(f) promulgated under the Exchange Act.
Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with generally accepted accounting principles.
Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
Management conducted an assessment of the Company's internal control over financial reporting as of December 31, 2012 using the framework specified in Internal Control - Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2012.
The effectiveness of the Company's internal control over financial reporting as of December 31, 2012 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report that appears herein.
February 12, 2013

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting or in other factors that occurred during our last fiscal quarter or our last fiscal year that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.
Item 9B. Other Information
On February 8, 2013, the Company entered into (i) Amendment No. 2 to Amended and Restated Multicurrency Credit Agreement (the “Revolver Amendment”) to the Amended and Restated Multicurrency Credit Agreement, dated as of August 11, 2011, with Bank of America, N.A., as administrative agent, and the lenders named therein, and (ii) Amendment No. 2 to Term Loan Agreement (the “Term Loan Amendment” and together with the Revolver Amendment, each, a “Credit Agreement Amendment”) to the Term Loan Agreement, dated as of March 4, 2011, with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders named therein.
Each Credit Agreement Amendment, among other things:

1) increases the applicable margin for borrowings under the applicable agreement if the Company's leverage ratio is greater than or equal to 3.50 to 1.00 for the preceding fiscal quarter during the temporary revised covenant period, which began on February 8, 2013 and ends on the earlier of (i)

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December 31, 2013 and (ii) the date on which the applicable administrative agent receives notice from the Company terminating such temporary revised covenant period;

2) replaces the maximum leverage ratio covenant with (a) a maximum balance sheet leverage ratio covenant that requires the ratio to be below 52.5 percent and (b) a tangible net worth covenant of approximately $4.6 billion during the temporary revised covenant period; and

3) modifies the covenants restricting (a) certain investments and acquisitions, (b) the incurrence of certain indebtedness and liens and (c) the amount of dividends that may be declared or paid, in each case, during the temporary revised covenant period.

The Revolver Amendment is filed herewith as Exhibit 10.93 and the Term Loan Amendment is filed herewith as Exhibit 10.96. The foregoing descriptions of the Revolver Amendment and the Term Loan Agreement are qualified in their entirety by reference to the full text of the Revolver Amendment and the Term Loan Amendment, as applicable, which are incorporated herein by reference.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required to be furnished by this Item will be set forth in our definitive Proxy Statement to security holders under the headings "Board Meetings and Committees - Audit Committee", "Business Ethics Policy", "Independence and Related Party Transactions", "Information Concerning Directors and Nominees" and "Section 16(a) Beneficial Ownership Reporting and Compliance", and is incorporated herein by reference and made a part hereof from the Proxy Statement. The information regarding executive officers required by this Item is set forth in Part I - Item 1. Business hereof under the heading "Executive Officers of the Registrant", which information is incorporated herein by reference and made a part hereof.

Item 11. Executive Compensation

The information required to be furnished by this Item will be set forth in our definitive Proxy Statement to security holders under the headings "Director Compensation", "Compensation Committee Report", "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required to be furnished by this Item regarding "Related Stockholder Matters" and "Security Ownership" will be set forth in our definitive Proxy Statement to security holders under the headings "Independence and Related Party Transactions" and "Ownership of Equity Securities of the Company', respectively, and is incorporated herein by reference and made part hereof from the Proxy Statement.

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Equity Compensation Plan Information

The table below sets forth certain information regarding the following equity compensation plans as of December 31, 2012: 2012 Equity Plan, the ICE Plan, the MPI Plan, the EMPI Plan, the OPIP Plan, the VNQDC Plan, the NQDC Plan and the Directors' Plan. Only the 2012 Equity Plan, the ICE Plan, the Directors' Plan and the EMPI Plan have been approved by shareholders.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,014,442(1)	N/A	11,663,567 (2)
Equity compensation plans not approved by security holders	—	N/A	(3)

(1) Includes 733,155 and 5,650 performance share awards from the ICE Plan and 2012 Equity Plan, respectively, for which issuance is dependent upon meeting certain performance targets, 257,712 restricted awards from the ICE Plan for which issuance is based upon a three-year vesting period and 17,925 restricted awards from the 2012 Equity Plan for which issuance is based on various vesting periods.

(2) Includes: (1) 5,615,869 common shares outstanding under the ICE Plan, which was terminated on May 8, 2012, and therefore, no further shares will be issued thereunder; (2) 5,952,850 common shares remaining available under the 2012 Equity Plan; (3) and 94,848 common shares remaining available under the Directors' Plan. The 2012 Equity Plan authorizes the compensation committee to make awards of option rights, restricted shares, deferred shares, performance shares and performance units. The Directors' Plan authorizes the award of restricted shares, which we refer to as the annual equity grant, to the Directors upon their election or re-election to the Board at the annual meeting and provides (i) that the Directors are required to take $24,000 of the annual retainer in common shares unless they meet the Director share ownership guidelines, and (ii) may take up to 100 percent of their retainer and other fees in Common Shares.

(3) The MPI Plan, the OPIP Plan and the VNQDC Plan provide for the issuance of common shares, but do not provide for a specific amount available under the plans. Descriptions of those plans are set forth below.

Incentive Equity Plan

The Committee recommended that the Board approve and adopt the 2012 Incentive Equity Plan of Cliffs Natural Resources Inc. (the "2012 Equity Plan") on March 13, 2012, subject to the approval of the shareholders of the Company at the annual meeting in May 2012. The maximum number of common shares that may be issued pursuant to awards granted under this plan is 6,000,000 common shares, which shares may be newly issued shares or shares that have been reacquired in the open market or in private transactions.

Deferred Compensation Plans

The VNQDC Plan originally was adopted by the Board of Directors to provide certain management and highly compensated employees of ours or our selected affiliates with the option to defer receipt of a portion of their regular base salary compensation, bonuses under the MPI Plan, the EMPI Plan and the OPIP Plan or performance and restricted shares awarded under the ICE Plan in order to defer taxation of these amounts. Each year the participants had to make their deferral election by December 31st of the year prior to the year in which base salary compensation was earned; bonuses before the beginning of the year in which the bonus was earned; and long-term incentives, performance and restricted shares, before the beginning of the final year in which the incentive was earned. Further, participants could elect to defer their bonuses under the MPI Plan, the EMPI Plan or the OPIP Plan into shares and receive a 25 percent match, subject to a five-year vesting period.

The Board adopted the NQDC Plan effective January 1, 2012. This NQDC Plan replaces the Company's previous deferred compensation plan, the VNQDC Plan, as amended. Under the NQDC Plan, participants are permitted to defer up to 50 percent of their annual base salary and up to 100 percent of their annual EMPI

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and MPI bonuses for a calendar year. The NQDC Plan eliminates all share deferrals, including those under the MPI Plan, EMPI Plan and OPIP Plan, which had been permitted under the VNQDC, including the 25 percent share match, as well as any performance shares and restricted share units from the long-term awards.

EMPI and MPI Plan

The MPI Plan provides an opportunity for elected officers and other salaried employees in designated positions to earn annual cash bonuses. At the discretion of the Compensation Committee, bonus payments may be made in cash or shares of company stock or a combination thereof, and restrictions may be placed on the vesting of any stock award. For bonuses earned and paid in 2011 and those earned in 2011 but paid in 2012, certain participants in the EMPI and MPI Plans were able to elect to defer all or a portion of such bonus into the VNQDC Plan, which is described above. Participants could elect to defer their bonuses under the MPI Plan and the EMPI Plan into shares and receive a 25 percent match, subject to a five-year vesting period. Each year, the participants under the EMPI and MPI Plans must make their cash bonus deferral election by December 31st of the year prior to the year in which the bonus is earned. Beginning in 2012, with the adoption of the NQDC Plan, bonus deferrals into stock, as well as the 25 percent match, have been eliminated.

The EMPI Plan is intended to provide a competitive annual incentive compensation opportunity to selected senior executive officers based on achievement against key corporate objectives and thereby align actual pay results with the short-term business performance of the Company. The Compensation Committee selects the individual participants for participation in the plan, for each plan year, no later than 90 days after the beginning of the plan year. Awards made under the EMPI Plan are intended to qualify as performance-based compensation. Payment of the award is based on continued employment through the date on which the awards are paid, following certification by the Compensation Committee. If a participant dies, becomes disabled, retires or is terminated without cause after the start of a plan year, the participant will be entitled to a pro-rata award based on the number of days as an active employee before the change in status.

OPIP Plan

The OPIP Plan provides an opportunity for senior mine managers and salaried employees to earn cash bonuses. The purpose of the OPIP Plan is to encourage improvements in areas, such as energy utilization, labor productivity, controllable costs and safety by providing incentive compensation for improvements in these areas. Certain participants may elect to defer all or part of their cash bonuses under the NQDC Plan. For bonuses earned and paid in 2011 and those earned in 2011 but paid in 2012, certain participants in the OPIP Plan were able to elect to defer all or a portion of such bonus into the VNQDC Plan, which is described above. Participants could elect to defer their bonuses under the OPIP Plan into shares and receive a 25 percent match, subject to a five-year vesting period. Each year, the participants under the OPIP Plan must make their cash bonus deferral election by December 31st of the year prior to the year in which the bonus is earned. Beginning in 2012, the OPIP Plan is no longer eligible for deferrals.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be furnished by this Item will be set forth in our definitive Proxy Statement to security holders under the heading “Independence and Related Party Transactions” and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required to be furnished by this Item will be set forth in our definitive Proxy Statement to security holders under the heading “Ratification of Independent Registered Public Accounting Firm” and is incorporated herein by reference and made a part hereof from the Proxy Statement.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) and (2) - List of Financial Statements and Financial Statement Schedules.

The following consolidated financial statements of Cliffs Natural Resources Inc. are included at Item 8. Financial Statements and Supplementary Data above:

- Statements of Consolidated Financial Position - December 31, 2012 and 2011
- Statements of Consolidated Operations - Years ended December 31, 2012, 2011 and 2010
- Statements of Consolidated Comprehensive Income - Years ended December 31, 2012, 2011 and 2010
- Statements of Consolidated Cash Flows - Years ended December 31, 2012, 2011 and 2010
- Statements of Consolidated Changes in Equity - Years ended December 31, 2012, 2011 and 2010
- Notes to Consolidated Financial Statements

The following consolidated financial statement schedule of Cliffs Natural Resources Inc. is included herein in Item 15(d) and attached as Exhibit 99(a):

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) List of Exhibits - Refer to Exhibit Index on pages 206-214, which is incorporated herein by reference.

(c) Exhibits listed in Item 15(a)(3) above are incorporated herein by reference.

(d) The schedule listed above in Item 15(a)(1) and (2) is attached as Exhibit 99(a) and incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLIFFS NATURAL RESOURCES INC.

By: /s/ Timothy K. Flanagan
Name: Timothy K. Flanagan
Title: Vice President, Corporate Controller and Chief Accounting Officer

Date: February 12, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ J. CARRABBA J. Carrabba	Chairman, President and Chief Executive Officer and Director (Principal Executive Officer)	February 12, 2013
/s/ T. M. PARADIE T. M. Paradie	Senior Vice President and Chief Financial Officer	February 12, 2013
/s/ T. K. FLANAGAN T. K. Flanagan	Vice-President, Corporate Controller and Chief Accounting Officer	February 12, 2013
* S. M. Cunningham	Director	February 12, 2013
* B. J. Eldridge	Director	February 12, 2013
* A. R. Gluski	Director	February 12, 2013
* S. M. Green	Director	February 12, 2013
* J. K. Henry	Director	February 12, 2013
* J. F. Kirsch	Director	February 12, 2013
* F. R. McAllister	Director	February 12, 2013
* R. K. Riederer	Director	February 12, 2013
* R. Ross	Director	February 12, 2013
* T. Sullivan	Director	February 12, 2013

* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K pursuant to a Power of Attorney executed on behalf of the above-indicated officers and directors of the registrant and filed herewith as Exhibit 24 on behalf of the registrant.

By: /s/ T. M. PARADIE
(T. M. Paradie, as Attorney-in-Fact)

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EXHIBIT INDEX

All documents referenced below have been filed pursuant to the Securities Exchange Act of 1934 by Cliffs Natural Resources Inc., file number 1-09844, unless otherwise indicated.

Exhibit Number	Exhibit	Pagination by Sequential Numbering System
	Articles of Incorporation and By-Laws of Cliffs Natural Resources Inc.	
3.1	Second Amended Articles of Incorporation, as amended, of Cliffs (as filed with the Secretary of State of the State of Ohio on May 25, 2011 (filed as Exhibit 3(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)	Not Applicable
3.2	Regulations of Cleveland-Cliffs Inc. (filed as Exhibit 3.2 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
	Instruments defining rights of security holders, including indentures	
4.1	Form of Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010 (filed as Exhibit 4.1 to Cliffs' Form S-3 No. 333-165376 on March 10, 2010 and incorporated herein by reference)	Not Applicable
4.2	Form of 5.90% Notes due 2020 First Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated March 17, 2010, including Form of 5.90% Notes due 2020 (filed as Exhibit 4.2 to Cliffs' Form 8-K on March 16, 2010 and incorporated herein by reference)	Not Applicable
4.3	Form of 4.80% Notes due 2020 Second Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 4.80% Notes due 2020 (filed as Exhibit 4.3 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)	Not Applicable
4.4	Form of 6.25% Notes due 2040 Third Supplemental Indenture between Cliffs Natural Resources Inc. and U.S. Bank National Association, as trustee, dated September 20, 2010, including Form of 6.25% Notes due 2040 (filed as Exhibit 4.4 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)	Not Applicable
4.5	Form of 4.875% Notes due 2021 Fourth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated March 23, 2011, including Form of 4.875% Notes due 2021 (filed as Exhibit 4.1 to Cliffs' Form 8-K on March 23, 2011 and incorporated herein by reference)	Not Applicable
4.6	Fifth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated March 31, 2011 (filed as Exhibit 4(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)	Not Applicable
4.7	Sixth Supplemental Indenture between Cliffs and U.S. Bank National Association, as trustee, dated December 13, 2012 (filed as Exhibit 4.1 to Cliffs' Form 8-K on December 13, 2012 and incorporated herein by reference)	Not Applicable
4.8	Form of Common Share Certificate (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)	Not Applicable
	Material Contracts	
10.1	* Form of Change in Control Severance Agreement	Filed Herewith
10.2	* Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (Amended and Restated as of January 1, 2000) (filed as Exhibit 10.2 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable

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10.3	*First Amendment to the Cleveland-Cliffs Inc. 2000 Voluntary Non-Qualified Deferred Compensation Plan (Amended and Restated as of January 1, 2000) (filed as Exhibit 10.4 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)	Not Applicable
10.4	*Cliffs Natural Resources Inc. 2005 Voluntary Non-Qualified Deferred Compensation Plan (Effective as of January 1, 2005) dated November 11, 2008 (filed as Exhibit 10(a) to Cliffs' Form 8-K on November 14, 2008 and incorporated herein by reference)	Not Applicable
10.5	*First Amendment to Cliffs Natural Resources Inc. 2005 Voluntary Non-Qualified Deferred Compensation Plan dated September 2, 2009 and effective as of January 1, 2009 (filed as Exhibit 10(a) to Cliffs' Form 10-Q for the period ended September 30, 2009 and incorporated herein by reference)	Not Applicable
10.6	*Second Amendment to Cliffs Natural Resources Inc. 2005 Voluntary Non-Qualified Deferred Compensation Plan dated November 8, 2011 and effective as of January 1, 2012	Filed Herewith
10.7	*Third Amendment to Cliffs Natural Resources Inc. 2005 Voluntary Non-Qualified Deferred Compensation Plan, effective November 1, 2012 (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)	Not Applicable
10.8	*Cliffs Natural Resources Inc. 2012 Non-Qualified Deferred Compensation Plan (effective January 1, 2012) dated November 8, 2011 (filed as Exhibit 10.1 to Cliffs' Form 8-K on November 8, 2011 and incorporated herein by reference)	Not Applicable
10.9	* Form of Indemnification Agreement between Cleveland-Cliffs Inc and Directors (filed as Exhibit 10.5 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.10	* Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors effective on July 1, 1995 (filed as Exhibit 10.6 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.11	* Amendment to Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors dated as of January 1, 2001 (filed as Exhibit 10.7 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.12	* Second Amendment to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors dated and effective January 14, 2003 (filed as Exhibit 10.8 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.13	*Cliffs Natural Resources Inc. Nonemployee Directors' Compensation Plan (Amended and Restated as of December 31, 2008) (filed as Exhibit 10(nnn) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.14	* Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, Severance Pay Plan for Key Employees and certain executive agreements (filed as Exhibit 10.10 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.15	* Trust Agreement No. 1 Amendments to Exhibits, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.13 to Cliffs' Form 10-K for the period ended December 31,	Not Applicable

	2011 and incorporated herein by reference)	
10.16	* First Amendment to Trust Agreement No. 1, effective September 10, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.12 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable

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10.17	*Second Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(y) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.18	* Amended and Restated Trust Agreement No. 2, effective as of October 15, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to Executive Agreements and Indemnification Agreements with the Company's Directors and certain Officers, the Company's Severance Pay Plan for Key Employees, and the Retention Plan for Salaried Employees (filed as Exhibit 10.14 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.19	*Second Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(aa) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.20	* Trust Agreement No. 5, dated as of October 28, 1987, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (filed as Exhibit 10.16 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.21	* First Amendment to Trust Agreement No. 5, dated as of May 12, 1989, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.17 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.22	* Second Amendment to Trust Agreement No. 5, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.18 to Form 10-K of Cliffs' for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.23	* Third Amendment to Trust Agreement No. 5, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.24	* Fourth Amendment to Trust Agreement No. 5, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.20 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.25	* Fifth Amendment to Trust Agreement No. 5, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.19 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.26	*Sixth Amendment to Trust Agreement No. 5 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(hh) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.27	* Trust Agreement No. 7, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to	Not Applicable

	the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (filed as Exhibit 10.23 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	
10.28	* First Amendment to Trust Agreement No. 7, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, dated as of March 9, 1992 (filed as Exhibit 10.24 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable

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10.29	* Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.25 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.30	* Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.26 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.31	* Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.27 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.32	* Amendment to Exhibits to Trust Agreement No. 7, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.28 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.33	*Sixth Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(oo) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.34	* Trust Agreement No. 8, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (filed as Exhibit 10.32 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.35	* First Amendment to Trust Agreement No. 8, dated as of March 9, 1992, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.31 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.36	* Second Amendment to Trust Agreement No. 8, dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.32 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.37	*Third Amendment to Trust Agreement No. 8 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ss) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.38	* Trust Agreement No. 9, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Supplemental Compensation Plan (filed as Exhibit 10.34 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.39	*First Amendment to Trust Agreement No. 9 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(uu) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable

10.40	* Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan (filed as Exhibit 10.36 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.41	*First Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ww) to Cliffs' Form 10-K for the period ended February 26, 2009 and incorporated herein by reference)	Not Applicable

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10.42	* Letter Agreement of Employment by and between Cleveland-Cliffs Inc and Joseph A. Carrabba dated April 29, 2005 (filed as Exhibit 10.38 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.43	* Letter Agreement of Employment by and between Cleveland-Cliffs Inc and Laurie Brlas dated November 22, 2006 (filed as Exhibit 10.39 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.44	* Letter Agreement of Employment by and between Cleveland-Cliffs Inc and William Brake dated April 4, 2007	Filed Herewith
10.45	*Severance Agreement and Release between William A. Brake and Cliffs Natural Resources Inc. dated February 17, 2012 (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference)	Not Applicable
10.46	*Employment Contract by and between Cliffs Asia Pacific Iron Ore Management Pty Ltd and Duncan Price dated May 26, 2011(filed as Exhibit 10.41 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.47	*Variation of Employment Contract by and between Cliffs Asia Pacific Iron Ore Management Pty Ltd and Duncan Price dated December 30, 2011 (filed as Exhibit 10.42 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.48	*Form of Release by and between Cliffs Asia Pacific Iron Ore Management Pty Ltd and Duncan Price dated September 11, 2012 (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)	Not Applicable
10.49	*Letter Agreement of Employment by and between Cliffs Natural Resources Inc. and P. Kelly Tompkins dated March 23, 2010 (filed as Exhibit 10.44 to Cliffs' Form 10-K for the year ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.50	*Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan, effective January 1, 2004 (filed as Exhibit 10.47 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.51	*Cleveland-Cliffs Inc Executive Management Performance Incentive Plan adopted July 27, 2007 and effective as of January 1, 2007	Filed Herewith
10.52	*First Amendment to Executive Management Performance Incentive Plan dated December 31, 2008 (filed as Exhibit 10(bbb) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.53	*Second Amendment to Executive Management Performance Incentive Plan effective May 8, 2012 (filed as Exhibit 10.4 to Cliffs' Form 8-K on May 14, 2012 and incorporated herein by reference)	Not Applicable
10.54	*Cliffs Natural Resources Inc. 2012 Executive Management Performance Incentive Plan effective March 13, 2012 (filed as Exhibit 10.3 to Cliffs' Form 8-K on May 14, 2012 and incorporated herein by reference)	Not Applicable
10.55	*Amended and Restated Cliffs Natural Resources Inc. 2007 Incentive Equity Plan adopted July 27, 2007 and effective as of May 11, 2010 (filed as Exhibit 10(a) to the Cliffs' Form 8-K on May 14, 2010 and incorporated herein by reference)	Not Applicable
10.56	*First Amendment to Amended and Restated Cliffs Natural Resources Inc. 2007 Incentive Equity Plan dated January 11, 2011 (filed as Exhibit 10(rr) to Cliffs' Form 10-K for the period ended December 31, 2010 and incorporated herein by reference)	Not Applicable
10.57		Not Applicable

*Second Amendment to Amended and Restated Cliffs Natural Resources Inc. 2007 Incentive Equity Plan effective as of May 8, 2012 (filed as Exhibit 10.2 to Cliffs' Form 8-K on May 14, 2012 and incorporated herein by reference)

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10.58	*Form of Cliffs Natural Resources Inc. 2009 Participant Grant and Agreement under the 2007 Incentive Equity Plan for performance grant period January 1, 2009 through December 31, 2011 (filed as Exhibit 10.54 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.59	*2009 Participant Grant under the 2007 Incentive Equity Plan by and between Cliffs and Joseph A. Carrabba effective December 17, 2009 subject to Terms and Conditions of the 2009 Participant Grant to Joseph A. Carrabba Under the 2007 Incentive Equity Plan adopted February 16, 2010, and effective December 17, 2009 (filed as Exhibit 10(qqq) to Cliffs' Form 10-K for the period ended December 31, 2009 and incorporated herein by reference)	Not Applicable
10.60	*2012 Participant Grant under the 2007 Incentive Equity Plan by and between Cliffs and Joseph A. Carrabba effective March 12, 2012 subject to Terms and Conditions of the 2007 Incentive Equity Plan to Joseph A. Carrabba adopted March 12, 2012	Filed Herewith
10.61	*Form of Cliffs Natural Resources Inc. 2010 Brazilian Participant Grant and Agreement under the 2007 Incentive Equity Plan for performance grant period January 1, 2010 through December 31, 2013 (filed as Exhibit 10.56 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.62	*Form of Cliffs Natural Resources Inc. 2010 International Participant Grant under the 2007 Incentive Equity Plan for performance grant period January 1, 2010 through December 31, 2012 (filed as Exhibit 10.57 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.63	*Form of Cliffs Natural Resources Inc. 2010 Participant Grant under the 2007 Incentive Equity Plan, for performance grant period January 1, 2010 through December 31, 2012 (filed as Exhibit 10.58 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.64	*Form of Cliffs Natural Resources Inc. 2011 Participant Grant under the Amended and Restated Cliffs 2007 Incentive Equity Plan, as Amended (filed as Exhibit 10(a) to Cliffs' Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference)	Not Applicable
10.65	*Form of Cliffs Natural Resources Inc. 2011 Participant Grant (Australia) under the Amended and Restated Cliffs 2007 Incentive Equity Plan, as Amended (filed as Exhibit 10(b) to Cliffs' Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference)	Not Applicable
10.66	*Form of Cliffs Natural Resources Inc. (U.S.) 2012 Participant Grant under the Amended and Restated 2007 Incentive Equity Plan, as Amended	Filed Herewith
10.67	*Cliffs Natural Resources Inc. 2012 Chile Labor Agreement Grant for Participants	Filed Herewith
10.68	*Form of Cliffs Natural Resources Inc. (Australia) 2012 Participant Grant under the Amended and Restated Cliffs 2007 Incentive Equity Plan	Filed Herewith
10.69	*Form of Cliffs Natural Resources Inc. (Canada) 2012 Participant Grant under the Amended and Restated Cliffs 2007 Incentive Equity Plan	Filed Herewith
10.70	*Form of Cliffs Natural Resources Inc. (China) 2012 Participant Grant under the Amended and Restated Cliffs 2007 Incentive Equity Plan	Filed Herewith
10.71	*Form of Cliffs Natural Resources Inc. (Japan) 2012 Participant Grant under the Amended and Restated Cliffs 2007 Incentive Equity Plan	Filed Herewith
10.72	*Cliffs Natural Resources Inc. 2012 Incentive Equity Plan effective March 13, 2012 (filed as Exhibit 10.1 to Cliffs Form 8-K on May 14, 2012 and incorporated herein by reference)	Not Applicable

10.73	*First Amendment to Cliffs Natural Resources Inc. 2012 Incentive Plan effective September 11, 2012 (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended September 30, 2012 and incorporated herein by reference)	Not Applicable
10.74	*Form of Cliffs Natural Resources Inc. Restricted Share Units Award Agreement pursuant to 2012 Incentive Equity Plan	Filed Herewith

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10.75	*Form of Cliffs Natural Resources Restricted Shares Agreement pursuant to the Amended and Restated Cliffs 2007 Incentive Equity Plan between the employee participant and the Company or its Subsidiary (filed as Exhibit 10.62 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.76	*Cliffs Natural Resources Inc. Supplemental Retirement Benefit Plan (as Amended and Restated effective December 1, 2006) dated December 31, 2008 (filed as Exhibit 10(mmm) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)	Not Applicable
10.77	** Pellet Sale and Purchase Agreement, dated and effective as of January 31, 2002, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company and Algoma Steel Inc. (filed as Exhibit 10.70 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.78	** Pellet Sale and Purchase Agreement, dated and effective as of April 10, 2002, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Northshore Sales Company, International Steel Group Inc., ISG Cleveland Inc., and ISG Indiana Harbor Inc. (filed as Exhibit 10.65 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.79	** First Amendment to Pellet Sale and Purchase Agreement, dated and effective December 16, 2004 by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Cliffs Sales Company (formerly known as Northshore Sales Company), International Steel Group Inc., ISG Cleveland Inc. and ISG Indiana Harbor (filed as Exhibit 10.66 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.80	** Pellet Sale and Purchase Agreement, dated and effective as of December 31, 2002 by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, and Ispat Inland Inc. (filed as Exhibit 10.67 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.81	** Amended and Restated Pellet Sale and Purchase Agreement, dated and effective as of May 17, 2004, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Cliffs Sales Company, International Steel Group Inc., and ISG Weirton Inc. (filed as Exhibit 10.68 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.82	** Umbrella Agreement between Mittal Steel USA and Cleveland-Cliffs Inc, The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company and Cliffs Sales Company amending three existing pellet sales contracts for Mittal Steel USA-Indiana Harbor West (Exhibits 10.78 and 10.79 above in this index), Mittal Steel USA-Indiana Harbor East (Exhibit 10.80 above in this index), and Mittal Steel USA-Weirton (Exhibit 10.81 above in this index), dated as of March 1, 2007 and effective as of April 12, 2006	Filed Herewith
10.83	** Amended and Restated Pellet Sale and Purchase Agreement, dated and effective January 1, 2006 by and among Cliffs Sales Company, The Cleveland-Cliffs Iron Company, Cliffs Mining Company and Severstal North America, Inc. (filed as Exhibit 10.70 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.84		Not Applicable

	**Term Sheet for Amendment and Extension of the Amended and Restated Pellet Sale and Purchase Agreement among Cliffs Sales Company, The Cleveland-Cliffs Iron Company, Cliffs Mining Company and Severstal North America, Inc. (filed as Exhibit 10(d) to Cliffs' Form 10-Q for the period ended June 30, 2008 and incorporated herein by reference)	
10.85	**Term Sheet for Modification of Certain Terms of the Pellet Sale and Purchase Agreement by and between Cliffs and Severstal dated and effective June 19, 2009 (filed as Exhibit 10(b) to Cliffs' Form 10-Q for the period ended June 30, 2009 and incorporated herein by reference)	Not Applicable

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10.86	Amendment to the Amended and Restated Pellet Sale and Purchase Agreement, dated as of February 25, 2011, by and among Severstal North America, Inc. (now known as Severstal Dearborn, LLC), Cliffs Sales Company, The Cleveland-Cliffs Iron Company and Cliffs Mining Company Inc. (filed as Exhibit 10(e) to Cliffs' Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference)	Not Applicable
10.87	** Pellet Sale and Purchase Agreement by and among The Cleveland-Cliffs Iron Company, Cliffs Sales Company and AK Steel Corporation dated November 10, 2006 and effective January 1, 2007 through December 31, 2013 (filed as Exhibit 10.74 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)	Not Applicable
10.88	** 2011 Omnibus Agreement, dated as of April 18, 2011 and effective as of March 31, 2011, by and among ArcelorMittal USA LLC, as successor in interest to Ispat Inland Inc., ArcelorMittal Cleveland Inc. (formerly known as ISG Cleveland Inc.), ArcelorMittal Indiana Harbor LLC (formerly known as ISG Indiana Harbor Inc.) and Cliffs Natural Resources Inc., The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company and Cliffs Sales Company (formerly known as Northshore Sales Company) (filed as Exhibit 10(a) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)	Not Applicable
10.89	**Settlement Agreement, dated as of April 20, 2011 and effective as of April 1, 2011, by and between Essar Steel Algoma Inc. as successor to Algoma Steel Inc., and The Cleveland-Cliffs Iron Company, Cliffs Mining Company and Northshore Mining Company (filed as Exhibit 10(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)	Not Applicable
10.90	Amended and Restated Multicurrency Credit Agreement entered into as of August 11, 2011, among Cliffs, certain foreign subsidiaries of the Company from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Isssuer, JPMorgan Chase Bank, N.A., as Syndication Agent and L/C Issuer, Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Citigroup Global Markets Inc., PNC Capital Markets Inc. and U.S. Bank National Association, as Joint Lead Arrangers and Joint Book Managers, Fifth Third Bank and RBS Citizens, N.A., as Co-Documentation Agents, and the various institutions from time to time party thereto (filed as Exhibit 10(a) to Cliffs' Form 8-K on August 17, 2011 and incorporated herein by reference)	Not Applicable
10.91	Amendment No. 1, dated as of October 16, 2012 to Amended and Restated Multicurrency Credit Agreement (filed as Exhibit 10.1 to Cliffs' Form 8-K on October 19, 2012 and incorporated herein by reference)	Not Applicable
10.92	Amendment No. 2 to the Amended and Restated Multicurrency Credit Agreement dated as of February 8, 2013	Filed Herewith
10.93	Term Loan Agreement entered into as of March 4, 2011, among Cliffs, JPMorgan Chase Bank N.A., as Administrative Agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as Joint Lead Arrangers and Joint Bookrunners, Fifth Third Bank, PNC Bank, N.A., Bank of Montreal, The Bank of Nova Scotia, Commonwealth Bank of Australia, KeyBank National Association, RBS Citizens, N.A. and U.S. Bank National Association, as Documentation Agents, and the various lenders from time to time party thereto (filed as Exhibit 10(b) to Cliffs' Form 8-K on March 8, 2011 and incorporated herein by reference)	Not Applicable
10.94		Not Applicable

	Amendment Agreement to Term Loan entered into as of August 11, 2011, among Cliffs, JPMorgan Chase Bank, N.A., as Administrative Agent (filed as Exhibit 10(b) to Cliffs' Form 8-K on August 17, 2011 and incorporated herein by reference)	
10.95	Amendment No. 2 to Term Loan dated as of February 8, 2013	Filed Herewith
12	Ratio of Earnings To Combined Fixed Charges And Preferred Stock Dividend Requirements	Filed Herewith
21	Subsidiaries of the Registrant	Filed Herewith
23.1	Consent of Independent Registered Public Accounting Firm	Filed Herewith

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23.2	Consent of Caracle Creek International Consulting Inc.	Filed Herewith
23.3	Consent of G H Wahl & Associates Consulting	Filed Herewith
23.4	Consent of Cardo MM&A	Filed Herewith
23.5	Consent of Sibley Basin Group Geological Consulting Services Ltd.	Filed Herewith
23.6	Consent of SRK Consulting (U.S.), Inc.	Filed Herewith
24	Power of Attorney	Filed Herewith
31.1	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Joseph A. Carrabba as of February 12, 2013	Filed Herewith
31.2	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Terrance M. Paradie as of February 12, 2013	
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Joseph A. Carrabba, President and Chief Executive Officer of Cliffs Natural Resources Inc., as of February 12, 2013	Filed Herewith
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Terrance M. Paradie, Senior Vice President and Chief Financial Officer of Cliffs Natural Resources Inc., as of February 12, 2013	Filed Herewith
95	Mine Safety Disclosures	Filed Herewith
99(a)	Schedule II – Valuation and Qualifying Accounts	Filed Herewith
101.INS	XBRL Instance Document	
101.SCH	XBRL Taxonomy Extension Schema Document	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	

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* Indicates management contract or other compensatory arrangement.

** Confidential treatment requested and/or approved as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

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