

**Cliffs Natural Resources - North American Iron Ore
PROFIT SHARING CALCULATIONS
Labor Agreement - Effective September 1st, 2008
Empire, Hibbing, Tilden and UTAC
Q1 2009**

CCI North America Iron Ore Segment Product Sold (tons) 2,013,000

Profit Sharing Tonnage Pool (Production)

<u>Mine (Tonnage Produced)</u>	
Hibbing Taconite Company	1,351,729
United Taconite LLC	908,656
Empire Iron Mining Partnership	892,457
Tilden Mining Company L.C.	<u>918,793</u>
Total Qualifying Tons	<u>4,071,635</u>

CCI North America Iron Ore Segment Earnings before Interest & Taxes \$ (30,056,995)
 CCI North America Iron Ore Segment EBIT/ton \$ (14.93)

Profit Sharing Monetary Pool

EBIT/ton >\$10.00 but less than \$50.00 7.50%
 EBIT/ton >\$50.00 10.00%

EBIT/ton Greater than \$10 but less than \$50

EBIT/Ton	\$ (14.93)
Minimum	<u>10.00</u>
EBIT/ton Greater than \$10 but less than \$50	<u>\$ -</u>

Profit Sharing Monetary Pool Calculation

EBIT/ton Greater than \$10 but less than \$50	\$ -
Applicable Profit Sharing Percentage	0.00%
Qualifying Tons	<u>4,071,635</u>
Profit Sharing Monetary Pool	<u>\$ -</u>

Profit Sharing Eligible Hours

Hibbing Taconite Company	234,162
United Taconite LLC	185,964
Empire Iron Mining Partnership	274,886
Tilden Mining Company L.C.	<u>224,695</u>
Total Eligible Hours	<u>919,707</u>

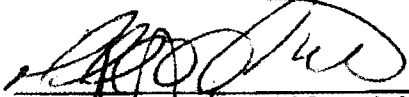
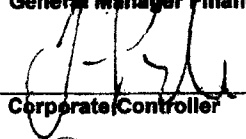

Profit Sharing Payout Per Hour

Profit Sharing Monetary Pool	\$ -
Qualifying Hours	<u>919,707</u>
Profit Sharing Payout Per Eligible Hour	<u>\$ -</u>

Profit Sharing Payout

Profit Sharing Payout to Employee (Maximum payout: \$10.00 x Eligible Hours) \$ -
 Profit Sharing Payout to Profit Sharing Bank \$ -

Approved By:

 _____ General Manager Financial Control - NABU	5/1/09 _____ Date
 _____ Corporate Controller	5/1/09 _____ Date
 _____ Chief Finance Officer	5/1/09 _____ Date

**Cliffs Natural Resources
North American Iron Ore
Labor Agreement - Effective September 1st, 2008**

**EBIT
Q1 2009
(000's)**

Tons Sold	<u><u>2,013.0</u></u>
Iron Ore	\$ 150,630.9
Service fee revenue	3,389.1
Freight Revenue & Minority Interest	<u>34,283.0</u>
Total Revenues from Product Sales and Services	\$ 188,303.1
<i>Per Ton Total Sales and Services</i>	<i>\$ 93.54</i>
Inventory Costs	\$ (132,065.9)
Trade and Freight Credits, Minority Interest	(33,857.2)
Depreciation And Depletion	(6,878.2)
Period Cost	(25,025.4)
Services	<u>(5,492.3)</u>
Total Operating Costs	\$ (203,319.1)
<i>Per Ton Total Operating Costs</i>	<i>\$ (101.00)</i>
Sales Margin	\$ (15,016.0)
<i>Per Ton Sales Margin</i>	<i>\$ (7.46)</i>
Royalties	\$ 1,090.7
Management Fees	<u>696.8</u>
Total Royalties & Management Fee Revenue	\$ 1,787.5
Administrative, selling and general exp	(18,005.1)
Gain (loss) on Sale of Assets - Net	1,070.0
Miscellaneous - net	<u>195.0</u>
Total Other Operating Income (Expense)	\$ (16,740.1)
Operating Income (Loss)	\$ (29,968.6)
Interest Income	\$ 7,126.0
Interest Expense	(577.3)
Income - Other - Net	<u>(67.1)</u>
Total Other Income (Expense)	\$ 6,481.7
Income (Loss) From Continuing Operations	\$ (23,486.9)
<u>Exclusions for EBIT</u>	
Interest Income	(7,126.0)
Interest Expense	577.3
Income - Other - Net	67.1
Hourly Profit Sharing Accrual Adjustment for Q4 2008	(88.4)
Hourly Profit Sharing Expense for Q1 2009	<u>-</u>
Earnings Before Interest & Tax (EBIT)	<u><u>\$ (30,057.0)</u></u>