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December 30, 2014

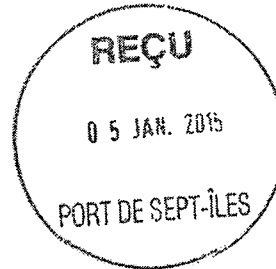
VIA COURIER

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Reference: 11573/365



Mr. Pierre D. Gagnon
President and Chief Executive Officer
Administration Portuaire de Sept-Îles
1 Quai Mgr-Blanche
Sept-Îles, Quebec Canada
G4R 5P3

Re: December 22, 2014 letter entitled "Confidential Agreement in Principle Dated February 9, 2010"

Dear Mr. Gagnon:

On behalf of Cliffs Quebec Iron Mining ULC ("CQIM"), we are responding to the above captioned letter delivered to Mr. Lourenco Goncalves, Chairman, President and Chief Executive Officer of Cliffs Natural Resources Inc. Contrary to the statement contained in that letter, neither CQIM nor any of its affiliates have made an announcement to the effect that a decision has been taken to "permanently close Lake Bloom mine [sic]". Rather, an announcement was made, on November 19, 2014, that Cliffs Natural Resources Inc. had shifted its focus to "executing an exit option for Eastern Canadian operations." As such, although the Bloom Lake Mine is currently in a state of warm idle, it is hoped that a purchaser of the assets of CQIM and the Bloom Lake Mine may be found in relatively short order. In addition, ore is still being loaded or being readied for loading across Dock 31 using the subject loading facilities.

As such, it is our view that CQIM has not ceased using the loading facilities and equipment and conveyers that are the subject of the Confidential Agreement in Principle. Rather, such facilities are, like the Bloom Lake Mine, currently being maintained in a state of warm idle pending a potential sale to a new operator.

To the extent it is determined that CQIM and/or the Bloom Lake Mine will in fact cease using the subject facilities on a permanent basis, CQIM will advise the Administration Portuaire de Sept-Îles ("SIPA") of the fair market value of same at which point SIPA will have the option of purchasing the facilities for such fair market value.

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We trust the foregoing is satisfactory. Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly

Andrew Pollock

cc: Mr. Lourenco Goncalves, Chairman, President and Chief Executive Officer, Cliffs Natural Resources Inc.
Mr. Clifford T. Smith, Executive Vice President, CQIM
Mr. James Graham, General Counsel & Secretary, CQIM
Mr. Carol Soucy, Chairman of the Board, Port of Sept-Îles
Ms. Patsy Keays, Director, Corporate Affairs, Port of Sept-Îles

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