

MILE POST 7 WEST RIDGE RAILROAD RELOCATION, DAM EXTENSIONS, AND STREAM
MITIGATION PROJECT ENVIRONMENTAL ASSESSMENT WORKSHEET (EAW)

RECORD OF DECISION – FINDING OF FACT 28.x
2016 PERMIT TO MINE AMENDMENT

DNR Document Accessibility Acknowledgment

This document is available in alternative formats to individuals with disabilities by contacting Bill Johnson at 651-259-5126 (bill.johnson@state.mn.us) or Jill Townley at 651-259-5168 (jill.townley@state.mn.us).

| |

**STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES**

Amendment and Assignment

CLIFFS NATURAL RESOURCES INC.
(Parent Corporation)
NORTHSHORE MINING COMPANY
(Entity Engaged In or Carrying Out a Mining Operation)
Permit to Mine
(Mine Progression into Type II Virginia Formation)

I. INTRODUCTION

Pursuant to Minnesota Statutes 93.44 to 93.51 and on the basis of statement and information contained in the permit amendment application, dated April 12, 2013, and appendices dated October 2012 to February 2014 (contents of which are listed on Attachment Number 1), a copy of which is on file in the Division of Lands and Minerals' Hibbing office, and is made a part hereof by reference,

PERMISSION IS HEREBY GRANTED

to

Cliffs Natural Resources Inc. (CNR), the parent company of Northshore Mining Company and a corporation organized under the laws of the State of Ohio, authorized to do business in Minnesota, whose address is 200 Public Square, Suite 3300, Cleveland, Ohio 44114,

and

Northshore Mining Company (Northshore), the entity that is engaged in or carrying out a mining operation, is a corporation organized under the laws of the State of Delaware, authorized to do business in Minnesota, whose address is 10 Outer Drive, Silver Bay, MN 55614,

for the purpose of

extending a mining operation in St. Louis County for the production of taconite pellets. The mine progression areas occupy 108.33 acres in Sections 19, 20, and 30 in Township 60 North, Range 12 West, and are specifically depicted in the permit amendment application.

II. TERM OF AMENDMENT

The conditions of this permit amendment apply to all mining, associated facilities, and reclamation activities conducted at the mine facility until the ores identified in the permit amendment application are depleted and the lands are released from reclamation obligations. Under normal iron ore sale conditions, the Peter Mitchell Mine is expected to continue to operate for approximately 60 years, at which time closure and final reclamation would follow.

III. APPROVAL OF ASSIGNMENT

The State of Minnesota hereby approves the assignment of the permit from Cleveland-Cliffs Inc. to Cliffs Natural Resources Inc. and Northshore Mining Company. In 2008, Cleveland-Cliffs Inc. changed its name to Cliffs Natural Resources Inc., as evidenced by the attached October 3, 2008 Certificate of Name Change issued by the Ohio Secretary of State. Further, Northshore's and CNR's responsibility for past activities of Reserve Mining Company at the Peter Mitchell Mine are as specified in a letter to Cyprus Minerals Company and Cyprus Northshore Mining Corporation, dated August 17, 1989, regarding the assignment of the "Permit to Mine Reserve Mining Company #1 issued March 1, 1985" to Cyprus Minerals Company and Cyprus Northshore Mining Corporation. Responsibilities for past activities of Reserve Mining Company and Cyprus Northshore Mining Corporation at the Peter Mitchell Mine are also addressed in the Stipulation Agreement, dated August 17, 1989, among the State of Minnesota, Minnesota Pollution Control Agency, Minnesota Department of Natural Resources, Reserve Mining Company, Armco Inc., First Taconite Company, Inc., Cyprus Minerals Company, and Cyprus Northshore Mining Corporation (the "Stipulation Agreement"). Nothing in this assignment and Permit to Mine amendment alters or amends the responsibilities for past activities of Reserve Mining Company as stated in the Stipulation Agreement.

IV. CONDITIONS OF PERMIT

This permit is subject to the following **GENERAL** and **SPECIAL CONDITIONS**:

A. GENERAL CONDITIONS

Mining and reclamation activities associated with the Northshore Mining Company mining and taconite processing operation shall be conducted in a manner consistent with the plans and schedules presented in this permit amendment application, the original permit (dated March 1, 1985), and all subsequent amendments and assignments. All activities shall be subject to the Department of Natural Resources, Mineland Reclamation Rules (Chapter 6130) except as provided in **B. SPECIAL CONDITIONS** of this amendment. This amendment does not waive the requirements of any other applicable permit or rules of the Department of Natural Resources or any other agency or governmental unit or of any other applicable statute, law, rule, or ordinance.

B. SPECIAL CONDITIONS

1. The financial assurance cost estimate dated February 11, 2015, submitted by Northshore, replaces the April 23, 2013 version in order to include costs for the approved Test Plot Program to Evaluate the Performance of the Proposed Type II Virginia Formation Stockpile Cover System, dated October 1, 2014 (Test Plot Program).
2. Prior to blasting of Type II Virginia Formation material, CNR or Northshore shall provide financial assurance for this amendment by funding an irrevocable letter of credit or bond with language acceptable to the commissioner of an annually adjusted amount that ensures Northshore will be financially capable of fulfilling closure and post-closure responsibilities as outlined in the approved May 2, 2013 Type II Virginia Formation Stockpile Plan (Stockpile Plan), including the Test Plot Program, and the conditions of this Permit to Mine amendment. If 1) a bench of Virginia Formation has been mined out within the amendment area, 2) the now-exposed bench under that Virginia Formation bench is anticipated to be Type II VF, and 3) the elevation of the exposed bench top is above the anticipated closure pit water elevation, then financial assurance for covering the exposed Type II VF rock bench with two feet of overburden and revegetation shall be provided within 30 days or in advance of the exposure. Exposed, unblasted ledge rock will not require this financial assurance or subsequent reclamation.
3. The amount, applicable items in the cost determination, the mechanism, and the duration of financial assurance will be reviewed at least annually at the time of the annual report and operating plan due each January. The financial assurance will only terminate when the closure and post closure responsibilities as outlined in the Stockpile Plan, the conditions of this Permit to Mine amendment, and MN Rules Chapter 6130, and all applicable statutes and laws are fulfilled.
4. The Test Plot Program is approved for construction at least one growing season prior to blasting Type II Virginia Formation material. Once the approved test plots are built and have supplied consistent data as described in Section 3.3 in the Test Plot Program, Northshore may request permission from DNR to modify or remove them.
5. For the first three years after planting, annual vegetation surveys on the test plots and the Type II Virginia Formation stockpile cover are required and will be reported in the annual report due each January. Repairs will be made as necessary. Depending on success of vegetation after the first three years, frequency of surveys may be reduced as determined by DNR.
6. Annual subsidence surveys will be performed on the covered portions of the Type II Virginia Formation stockpile and reported in the annual report due each January. If more frequent subsidence surveys or inspections are conducted, the results shall be reported in the annual report.
7. Any changes to the design, construction, maintenance, or monitoring of the Virginia Formation Type II stockpile, as outlined in the Stockpile Plan and the conditions of this Permit to Mine amendment, must be described to and approved by DNR in advance of implementing any change.

8. Due to the time frame prior to the placement of the last section of the cover on the Virginia Formation Type II stockpile, the potential for monitoring of the cover will be reevaluated based on Test Plot Program data and water quality monitoring data at least two years prior to placement of the last section.
9. Northshore may not commence mining operations on properties within the amendment areas for which it has not received the necessary surface and mineral rights.
10. Any necessary approvals under the Wetland Conservation Act must be obtained prior to commencing work on non-permitted wetlands.
11. As has been the practice to date, a Virginia Formation Development Plan is to be updated based on actual rock movement and submitted in the annual report and operating plan due each January.
12. To ensure representative water quality samples containing stockpile seepage are collected, based on Section 2.5 of the Stockpile Plan, supplemental water quality monitoring of the sumps prior to and during Type II Virginia Formation stockpile development is required and will be reported to both DNR and MPCA. If water that is currently routed through SD004 or SD005 is proposed to be routed to another discharge location, the same monitoring described in Section 2.5 will be required to include a minimum of six months of pre-rerouting monitoring sufficient to establish the baseline chemistry of the other discharge location.
13. Routine and supplemental monitoring of the SD004 and SD005 sump water will be used to identify potential problems that could impact water quality from the leaching of Type II material. Contingency actions, as outlined in the Stockpile Plan, will be taken to address non-compliance, should it occur.

Dated at St. Paul, Minnesota,

this 10th day of March, 2016.

STATE OF MINNESOTA

DEPARTMENT OF NATURAL RESOURCES



Jess Richards, Director

Division of Lands and Minerals

*Acknowledged and agreed to the amendment to the Permit to Mine and
the assignment of the Permit to Mine:*

By Cliffs Natural Resources Inc.

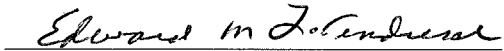
this 9TH day of MARCH, 2016

A handwritten signature in black ink, appearing to read "Terry G. Fedor", written over a horizontal line.

Terry G. Fedor, Executive Vice President, U.S. Iron Ore

By Northshore Mining Company

this 7th day of MARCH, 2016

A handwritten signature in black ink, appearing to read "Edward M. LaTendresse", written over a horizontal line.

Edward M. LaTendresse, General Manager

ATTACHMENT NUMBER 1

CONTENTS OF AMENDMENT APPLICATION AND APPROVAL ATTACHMENTS

APPLICATION (Dated April 12, 2013)

Introductory Request

Main Pit Progression

Estimated Reserves

Time Frame

Reclamation

Wetland Mitigation

Watershed Reclamation

Reclamation

Watershed Reclamation

FIGURES

Figure 1 Permit Amendments 2011

Figure 2 Northshore Mine Progression & VFII Stockpile Progression

Figure 3 NSM Permit to Mine Amendment Main Pit Expansion Cross Section (updated as Appendix H)

Figure 4 Type II VF Stockpile Conceptual Design Stockpile Sections

Figure 5 Current Minor and Major Watersheds

Figure 6 Type II Virginia Formation Stockpile: Plant Fines Stockpile and Surface Borrow Area

Figure 7 Type II VF Stockpile Conceptual Design West-East Section

APPENDICES

Appendix A Financial Assurance Cost Estimate, dated April 23, 2013 (updated as Appendix G)

Appendix B Type II Virginia Formation Stockpile Plan, dated May 2, 2013

Appendix C Northshore Mining Type II Virginia Formation Laboratory Weathering Experiment, dated October 2012

Appendix D Northshore Mining MP7 Capacity memorandum, dated June 13, 2013

Appendix E Northshore VFII Public Notice Legal Advertisement

Appendix F Test plot program to evaluate the performance of the proposed Type II Virginia Formation stockpile cover system, dated October 1, 2014 (new)

Appendix G Financial Assurance Cost Estimate, dated February 11, 2015 (updated)

Appendix H Mine Pit Expansion Cross-Section figure, dated June 2, 2014 (updated)

APPROVAL ATTACHMENTS

Aug. 17, 1989 Letter from DNR to Cyprus Minerals Company and Cyprus Northshore Mining Corporation

Aug. 17, 1989 Stipulation Agreement

Oct. 3, 2008 Certificate of Name Change

APPROVAL ATTACHMENTS

August 17, 1989

Letter from DNR to Cyprus Minerals Company and Cyprus Northshore Mining Corporation



STATE OF
MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

500 LAFAYETTE ROAD, ST. PAUL, MINNESOTA 55155-4037

Celebrate
MINNESOTA
1850

OFFICE OF THE
COMMISSIONER

DNR INFORMATION
(612) 296-3137

Cyprus Minerals Company
9100 East Mineral Circle
P. O. Box 3299
Englewood, CO 80155

Cyprus Northshore Mining Corporation
Silver Bay, MN 55614

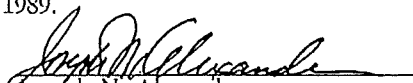
Re: ASSIGNMENT OF PERMIT TO MINE TO CYPRUS MINERALS COMPANY AND CYPRUS
NORTHSHORE MINING CORPORATION

Gentlemen:

In response to your letter signed by Mary P. McConnell, dated August 9, 1989, I hereby assign to Cyprus Minerals Company and Cyprus Northshore Mining Corporation ("Cyprus") the Permit to Mine for the Reserve Mining operation, entitled PERMIT TO MINE RESERVE MINING COMPANY #1, with an issuance date of March 1, 1985. Cyprus' responsibility for past activities of Reserve Mining Company are specified in the Stipulation Agreement among the State of Minnesota, Minnesota Pollution Control Agency, Minnesota Department of Natural Resources, Reserve Mining Company, Armco Inc., First Taconite Company, Inc., Cyprus Minerals Company, and Cyprus Northshore Mining Corporation.

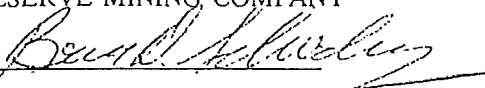
It is anticipated that there are areas within the Peter Mitchell Mine which will not be used or disturbed by operations conducted by Cyprus. Some of these areas, depending on when they were developed by Reserve Mining Company, may require reclamation in accordance with the Mineland Reclamation Regulations. At the present time Cyprus is unable to commit to the performance of reclamation on any areas other than those which it will use or disturb while conducting its operations. As a result, Cyprus has sought and I hereby grant a variance from Minnesota Rule 6130.5500 which requires an assignee to perform all reclamation obligations which are outstanding at the time of assignment. This variance shall relieve Cyprus from responsibility for outstanding obligations, on areas it will not use or disturb. This variance is being granted because the scope of improvements to the environment and to dam safety at the Milepost 7 tailings basin are: beneficial to the general welfare; consistent with the general purposes of the Reclamation Regulations; and will only occur if the operation is reopened. Furthermore, a reasonable alternative to Cyprus' performance of the reclamation, in the form of a fund for closure and reclamation activities, has been established as specified in the Stipulation Agreement.

Dated this 17th day of August, 1989.

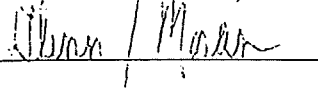

Joseph N. Alexander
Commissioner of Natural Resources

Acknowledged this 17th day of August, 1989:

RESERVE MINING COMPANY

by 

REPUBLIC RESERVE, INC.

by 

Page 2: ASSIGNMENT OF PERMIT TO MINE TO CYPRUS MINERALS COMPANY AND CYPRUS
NORTHSHORE MINING CORPORATION

FIRST TACONITE COMPANY, INC.

by [signature]

CYPRUS MINERALS COMPANY

BY [signature]

CYPRUS NORTHSHORE MINING CORPORATION

by [signature]

cc RESERVE MINING COMPANY
FIRST TACONITE COMPANY, INC.
REPUBLIC RESERVE, INC.
ARMCO INC.
LTV STEEL COMPANY, INC.

August 17, 1989

Stipulation Agreement

STATE OF MINNESOTA
MINNESOTA DEPARTMENT OF NATURAL RESOURCES
MINNESOTA POLLUTION CONTROL AGENCY

IN THE MATTER OF)	
RESERVE MINING COMPANY)	STIPULATION AGREEMENT

RECITALS

A. Parties. The parties to this Stipulation Agreement are:

1. State of Minnesota ("State");
2. Minnesota Pollution Control Agency ("MPCA");
3. Minnesota Department of Natural Resources ("DNR");
4. Bruce D. Scherling, Trustee-in-Bankruptcy ("Reserve Trustee") for Reserve Mining Company ("Reserve");
5. Armco Inc., ("Armco");
6. First Taconite Company, Inc., a wholly-owned subsidiary of Armco, ("First Taconite");
7. Cyprus Minerals Company and its wholly owned subsidiary, Cyprus Northshore Mining Corporation, ("Cyprus");

B. Facilities. Reserve is a Minnesota partnership, the partners of which are First Taconite and Republic Reserve, Inc., a wholly owned subsidiary of LTV Steel Company, formerly Republic Steel. Reserve has been engaged in the mining and processing of taconite in St. Louis and Lake Counties, Minnesota, including, without limitation,

operation of the Peter Mitchell Mine and primary crushing operations at Babbitt, Minnesota (the "Mine"), the E.W. Davis Works, a taconite processing plant and load-out facility at Silver Bay, Minnesota and a tailing disposal facility ("Milepost 7") inland from Silver Bay (collectively, the "Facilities"). A legal description and a map of Milepost 7 are attached hereto as Exhibits A and B. As used herein, Milepost 7 shall include all land and Facilities within the area described in Exhibits A and B.

- C. Permits. Reserve has been issued a number of environmental permits, licenses and approvals to conduct its taconite mining, processing and tailings disposal operations. The Reserve permits are listed on Exhibit C attached hereto and include any other environmental permits not listed but which are related to the operation of the Facilities (the "Permits"). Operation of the Facilities has been the subject of extensive state and federal judicial and state administrative proceedings. The Milepost 7 Permits were issued by the MPCA and DNR subject to the conditions which were accepted by Reserve, Armco and LTV Steel, including conditions related to the operation and closure of Milepost 7. Armco and First Taconite are co-permittees with Reserve and LTV Steel Company or Republic Reserve, Inc. on some of the MPCA and DNR Permits, including

Milepost 7 Permits, and therefore have certain rights and obligations with respect to the Permits' terms and conditions.

D. Bankruptcy Proceedings. On July 17, 1986, LTV and its wholly-owned subsidiary, Republic Reserve, filed a voluntary petition for reorganization pursuant to 11 U.S.C. §1101 in the United States Bankruptcy Court for the Southern District of New York, Case Nos. 86 B 11273 and 86 B 11323, respectively. On August 7, 1986, First Taconite on behalf of Reserve, and on August 12, 1986, First Taconite, filed voluntary petitions for reorganization pursuant to 11 U.S.C. §1101 in the United States Bankruptcy Court for the Southern District of New York, Case Nos. 86 B 11506 and 86 B 11535, respectively. On August 13, 1986, the Reserve Trustee was appointed who is authorized to act for and on behalf of Reserve. As a result of these bankruptcy proceedings, Reserve's operations were suspended.

E. Milepost 7 Closure Studies. Following suspension of Reserve's operations, a "Summary Report, Closure Alternatives Milepost 7 Tailings Basin, December 1987" was prepared for Reserve, which detailed four alternative closure schemes for Milepost 7, assuming no resumption of

mining operations. That Summary Report is incorporated herein by reference.

A "Tailings Basin Closure Consensus Plan for Reserve Mining Company" dated August 16, 1988 ("Consensus Plan") was prepared for Reserve, which is incorporated herein by reference. The Consensus Plan provides for the closure of Milepost 7 while operating the Facilities. Under the Consensus Plan, Milepost 7 can be closed within two years following the production of 15,000,000 tons of taconite pellets by the Facilities. (As used herein, a ton shall mean a long ton or gross ton and shall equal 2,240 pounds avoirdupois.)

F. Cyprus Purchase of the Facilities. On March 14, 1989, Cyprus offered to purchase the assets of Reserve, except the delta and Milepost 7, which offer was accepted by the Reserve Trustee. On April 21, 1989, a Purchase Agreement ("the Purchase Agreement") was entered into between Cyprus and the Reserve Trustee under which Cyprus and the Reserve Trustee reached a definitive agreement regarding the sale of these assets to Cyprus, the lease of Milepost 7 by the Reserve Trustee to Cyprus (the "Lease"), and the transfer of title to the delta by the Reserve Trustee to the State of Minnesota to be leased back to Cyprus. That Purchase

Agreement is conditioned upon a satisfactory agreement regarding the Permits, including closure of Milepost 7. At a hearing on June 12, 1989, the Bankruptcy Court approved Cyprus' bid as amended at the hearing for the purchase of the assets of Reserve.

G. Permit Transfer and Modifications. The parties hereto agree to the transfer of the Permits for the operation of the Facilities to Cyprus as the new owner and/or operator of the Facilities. The parties hereto also recognize that some of the Permits must be modified to incorporate the Consensus Plan and may require further modifications during the Operations Period. The parties hereto agree that the respective obligations of Cyprus and Armco for closure of Milepost 7 as set forth herein shall be identified in the MPCA and DNR Permits for Milepost 7 by reference to this Stipulation Agreement.

H. Operations by Cyprus. With the Facilities, Cyprus intends to conduct taconite mining, processing and tailings disposal operations in Minnesota in accordance with this Stipulation Agreement from the date the Permits are transferred to it and Milepost 7 is closed under the Permits as modified by the Consensus Plan, or Cyprus receives a modification of the Permits allowing continued

operations beyond the production of 15,000,000 tons of pellets, or Cyprus, in its sole discretion, permanently terminates operations of the Facilities, whichever first occurs (the "Operations Period"). During the Operations Period, Cyprus will evaluate whether operation of the Facilities should be continued beyond 15,000,000 tons of pellet production and whether it will undertake such longer-term operation. During the Operations Period, Cyprus is willing to have the Permits transferred to it and to operate the Facilities in a manner consistent with the Permits and the Consensus Plan, but is not willing to assume liability for the closure and perpetual maintenance of Milepost 7 unless and until Cyprus receives a modification of the Permits in order to continue operations beyond the production of 15,000,000 tons of pellets or until Armco Steel Company, L.P. has purchased 7,500,000 tons of pellets from Cyprus. Cyprus is not willing to assume liability for the reclamation of all areas other than Milepost 7 not used or disturbed by Cyprus. When Armco Steel Company, L.P. purchases 7,500,000 tons of pellets from Cyprus, Cyprus agrees to assume the closure and perpetual maintenance obligations for Milepost 7. If Cyprus chooses to operate the Facilities beyond 15,000,000 tons of pellet production, it has agreed to purchase

Milepost 7 and assume the closure and perpetual maintenance obligations associated with Milepost 7.

- I. Intent of the Parties/Resumption of Operations. The parties recognize that resumption of taconite mining will benefit the people of the State of Minnesota and that, in order to resume taconite mining and processing operations, it is necessary to agree on terms under which the Permits for Reserve will be transferred to Cyprus, to provide for modification of the Permits to require operation of the Facilities in accordance with the Consensus Plan and to specify the obligations of the parties hereto for the closure and perpetual maintenance of Milepost 7.

STIPULATION

NOW THEREFORE, in consideration of the foregoing and to ensure proper conduct of the operations by Cyprus during the Operations Period, to delineate the parties' respective obligations during the Operations Period, and to facilitate the sale and lease of the Facilities to Cyprus as contemplated by the Purchase Agreement, the parties hereto stipulate and agree as follows:

1. Transfer of the Permits; Termination of Permit Obligations. The MPCA and DNR Permits for the Facilities shall be amended as appropriate and transferred to Cyprus in accordance with state law and procedure. Cyprus shall additionally request of the appropriate agencies transfer of all other Permits. Armco and First Taconite shall cooperate in the transfer of all the Permits to Cyprus. With transfer of the MPCA and DNR Permits to Cyprus, the obligations of Reserve, Armco and First Taconite under the MPCA and DNR Permits shall terminate and the only obligations of those parties with respect to the Facilities and the Permits shall be those specified or referenced in this Stipulation Agreement.
2. Modification of the Permits. The MPCA and DNR permits for Milepost 7 shall be modified to require operation of Milepost 7 in compliance with the Consensus Plan during the Operations Period. Cyprus further agrees to request modification of all other Milepost 7 Permits and to make application for any new permits so as to require operation of the Facilities in compliance with the Consensus Plan during the Operations Period. The MPCA and DNR Permits shall also identify the respective obligations of Cyprus and Armco for closure of Milepost 7 by reference to this Stipulation Agreement. Following transfer of the Permits

to Cyprus, the Permits may be modified pursuant to state law and procedure, provided however, such modifications shall not affect the terms and conditions of this Stipulation Agreement, including but not limited to, obligations with respect to closure and perpetual maintenance of Milepost 7. Cyprus, MPCA and DNR shall give notice to Reserve and Armco in accordance with the provisions of this Stipulation Agreement of any modifications requested by Cyprus or proposed by the MPCA and DNR with respect to the MPCA and DNR Permits during the Operations Period. Reserve and Armco may participate in the MPCA and DNR process regarding approval of any modification of the MPCA and DNR Permits during the Operations Period.

3. Facilities Operations. Notwithstanding the terms of the Lease between the Reserve Trustee and Cyprus, during the Operations Period, Cyprus agrees to use Milepost 7 for the purpose of disposal of tailings generated by the mining and processing of ore from the Facilities and the disposal of other materials as specified in the Permits. During the Operations Period, Cyprus further agrees to operate Milepost 7 in accordance with reasonable operating standards.

4. Operation in Compliance with Permits, Plan and Agreement; Indemnification. During the Operations Period, Cyprus agrees to operate the Facilities in full compliance with the Permits, as modified by the Consensus Plan and this Stipulation Agreement. Cyprus agrees to fully and completely indemnify the Reserve Trustee, Reserve, Armco and First Taconite from and against any and all liabilities, demands, penalties, claims, actions, suits, judgments, proceedings, expenses, including without limitation, attorney, consultant and expert fees, paid, incurred or asserted against them relating to or resulting from Cyprus' failure to operate the Facilities in accordance with the Permits, the Consensus Plan and this Stipulation Agreement, including but not limited to additional costs and expenses necessary to close and perpetually maintain Milepost 7.
5. Closure of Milepost 7. The Facilities shall be operated in accordance with the Permits as modified by the Consensus Plan during the Operations Period. If operation of the Facilities ceases before the production of 15,000,000 tons of taconite pellets, the parties agree that the closure and long-term maintenance of Milepost 7 shall be accomplished within a reasonable time by the draw down of the water level of Milepost 7 by 20 feet as described in alternative

3 of the "Summary Report, Closure Alternatives Milepost 7 Tailings Basin, December 1987" and consistent with relevant filtration requirements of the Consensus Plan, applicable terms and conditions of Permits issued to Cyprus and other applicable state laws and procedures.

6. Funding of Closure Obligations. Upon execution of this Stipulation Agreement, the State shall pay into a trust account Nineteen Million and no/100 Dollars (\$19,000,000) of funds received from LTV Steel pursuant to a settlement agreement between the State, LTV, Republic Reserve, Armco, First Taconite and Reserve. The trust account shall be an interest bearing account which shall be administered in accordance with the terms of this Stipulation Agreement and the escrow agreement attached hereto as Exhibit D. If Cyprus produces taconite pellets from the Facilities and so long as Cyprus continues to operate the Facilities, LTV shall be entitled to repayment from the trust account in accordance with the following schedule:

Time of Payment - Later of

<u>Amount of Payment</u>	<u>Cumulative Pellet Production</u>	<u>Date</u>
\$4 million	5.0 million tons	April 1, 1991
\$3 million	7.5 million tons	February 1, 1992

\$3 million	10.0 million tons	December 1, 1992
\$3 million	12.5 million tons	October 1, 1993
\$7 million	15.0 million tons	August 1, 1994

If Cyprus, in its sole discretion, permanently terminates all operations of the Facilities prior to the production of 15,000,000 tons of pellets, LTV shall be entitled to no further payments in accordance with the above schedule. Notwithstanding the foregoing, in the event operations are discontinued at the Facilities subsequent to the time a Cumulative Pellet Production milestone is reached but prior to the corresponding date for payment, such payment shall nevertheless be made to LTV on such payment date.

If Cyprus, in its sole discretion, permanently terminates all operations of the Facilities prior to the production of 15,000,000 tons of pellets, and before Armco Steel Company, L.P. has purchased (buyer takes delivery F.O.B. rail of vessel, Silver Bay, Minnesota) 7,500,000 tons of pellets, then Armco shall be solely responsible for closure and perpetual maintenance of Milepost 7 and shall receive all funds in the trust account, less any payments made to LTV under the schedule set forth herein, for the costs of closure and perpetual maintenance of Milepost 7 and Cyprus shall have no further obligation for Milepost 7 under this Stipulation Agreement. If Cyprus, in its sole discretion,

permanently terminates all operations of the Facilities prior to the production of 15,000,000 tons of pellets, and after Armco Steel Company, L.P. has purchased (buyer takes delivery F.O.B. rail of vessel, Silver Bay, Minnesota) 7,500,000 tons of pellets, then Cyprus shall be solely responsible for closure and perpetual maintenance of Milepost 7 and shall receive all funds in the trust account, less any payments made to LTV under the schedule set forth herein, for the costs of closure and perpetual maintenance, and Armco shall have no further obligations under this Stipulation Agreement. If Cyprus produces 15,000,000 tons of pellets and closes Milepost 7 in accordance with the Permits as modified by the Consensus Plan, Cyprus shall receive all funds in the trust account less payments made to LTV. If Cyprus at any time determines to continue operations beyond 15,000,000 tons of pellet production, upon Cyprus' receipt of modified Permits from the MPCA and DNR to continue production beyond 15,000,000 tons, and after all payments owing LTV in accordance with the schedule set forth herein have been made, the funds remaining in the trust account shall be distributed to the State and Cyprus as follows:

(a) The State shall retain \$2,000,000 in the trust account for use as the agencies deem reasonable and necessary in

connection with monitoring, investigations, special studies, reclamation, or any other activities associated with the Facilities, provided however that Cyprus shall be entitled to reimbursement of up to \$1,000,000 from the trust account for reclamation activities performed by it relating to past operations of Reserve (which it otherwise does not agree to perform) on a basis to be negotiated in good faith with the DNR, and Cyprus shall be entitled to reimbursement of up to \$1,000,000 from the trust account for costs of funding MPCA monitoring and analytical studies under such modified Permits, on a basis to be negotiated in good faith with the MPCA.

(b) All other funds in the trust account shall be paid to Cyprus.

7. Funding of Reserve Trustee's Administrative and Operating Expenses. Up to Two Million and no/100 Dollars (\$2,000,000) of the above referenced Nineteen Million and no/100 Dollars (\$19,000,000) trust account shall be directly available to the Reserve Trustee by wire transfer for interim (prior to the assumption by Armco or Cyprus of closure responsibilities) Milepost 7 administrative and operating expenses in the event operations of the Facilities do not resume or Cyprus gives notice to the

parties hereto that it will cease operations and terminate the Lease of Milepost 7 and provided that the interim administration and operation of Milepost 7 is not undertaken by Armco or Cyprus. In the event the Reserve Trustee has not been required to assume the interim administration and operation of Milepost 7 and the responsibility for said interim administration and operation is undertaken by Armco or Cyprus in conjunction with closure of Milepost 7, then all amounts in the trust account made available to the Reserve Trustee shall be distributed to that party undertaking interim administration, operation and closure of Milepost 7.

8. Closure Obligations. During the Operations Period, Cyprus reserves the right, in its sole discretion, to completely and finally terminate all operations of the Facilities or to request a modification of the Consensus Plan in order to continue operations of the Facilities beyond the 15,000,000 tons of pellet production required to close Milepost 7 under the Consensus Plan. Subject to the provisions of paragraph 4, until Armco Steel Company, L.P. purchases (buyer takes delivery F.O.B. rail of vessel, Silver Bay, Minnesota) 7,500,000 tons of taconite pellets from Cyprus pursuant to a pellet contract between Armco Steel Company, L.P. and Cyprus, or until Cyprus receives approval of a

modification of the Consensus Plan allowing continued operations of the Facilities beyond 15,000,000 tons of pellet production, Armco shall be solely responsible for closure and perpetual maintenance of Milepost 7 in accordance with the terms and conditions of this Stipulation Agreement. Thereafter, Cyprus shall be solely responsible for closure and perpetual maintenance of Milepost 7 in accordance with the Permits and the terms and conditions of this Stipulation Agreement.

9. Reclamation. Except as otherwise provided herein, Cyprus shall be responsible for reclamation requirements resulting from the mining, processing and disposal operations associated with the Facilities from the date the Permits are transferred to it, provided however, that Cyprus is responsible only for reclamation of areas used and disturbed by it. Reserve, Armco and First Taconite are hereby released from any reclamation obligations associated with the Facilities, save and except these obligations for closure and perpetual maintenance of Milepost 7 set forth in this Stipulation Agreement.

10. Proceeds of Sale. The State shall take no action of any kind whatsoever to impound, escrow, or otherwise set aside any of the purchase price or the tax credit described in

the Purchase Agreement for closure and perpetual maintenance of Milepost 7.

11. State Release of Claims Against Reserve Estate and Trustee, Indenture Trustee and Bondholders. The State and/or its agencies hereby forever release and discharge the Reserve Trustee, the Reserve Estate, the Reserve Bondholders and the Indenture Trustee from all liabilities, claims, obligations and litigations arising out of or related to the operations of Reserve, which the state and/or its agencies ever had, now have, or may hereafter have whenever such claims, liabilities, obligations and litigations arise or may have arisen or accrued, including but not limited to all claims arising out of or related to all permits, licenses, leases, contracts, and other authorizations issued to Reserve or its predecessors in interest by the State or its agencies. This release shall expressly extend to and include without exception all claims, liabilities, obligations and litigations which may arise on behalf of the State and/or its agencies against the Trustee, the Reserve Estate, the Indenture Trustee and the Bondholders as a result of the Trustee's continuation as the fee owner of Milepost 7, the necessity for the Trustee to resume operating responsibility for Milepost 7 for any reason and any actual operation of Milepost 7 by the Trustee. As used

herein, the Indenture Trustee means LaSalle National Bank as Indenture Trustee for the Reserve Mining Company First Mortgage Bonds issued pursuant to an Indenture dated as of December 1, 1952 as Amended and Supplemented. All parties hereto agree that any release granted by the State and/or its agencies in this Paragraph 11 does not constitute a waiver of any right of action or claim of any amount against any other party not receiving such release unless such waiver or release is specifically provided for in this Stipulation Agreement or elsewhere, including the Settlement Agreement between Reserve, LTV Steel, Republic-Reserve, Inc., Armco, First Taconite and the State of Minnesota.

12. Amendment and Waiver. This Stipulation Agreement may be amended, and any provision of this Agreement may be waived, provided that any such amendment or waiver will be binding only if such amendment or waiver is set forth in a writing and executed by all the parties hereto.

13. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Stipulation Agreement will be in writing and will be deemed to have been given when mailed by first class mail, return receipt requested, Federal Express or Express

Mail. Notices, demands and communications to the parties will, unless another address is specified in writing, be sent to the addresses indicated below:

STATE: Minnesota Attorney General
102 State Capitol
St. Paul, Minnesota 55112

MPCA: Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, Minnesota 55155

DNR: Commissioner
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155

RESERVE: Bruce D. Scherling
Scherling, Davidson & Rech
6 East 45th Street
New York, New York 10017

ARMCO: Gary R. Hildreth
Assistant General Counsel
Armco Inc.
300 Interpace Parkway
Parsippany, New Jersey 07054

FIRST
TACONITE: First Taconite Company
Legal Department
680 Curtis Street
Middletown, Ohio 45043

CYPRUS: Cyprus Northshore Mining Corporation
Attn: General Counsel
P.O. Box 3299
Englewood, Colorado 80155

14. Assignment. This Stipulation Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this

Stipulation Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party without the written consent of all other parties hereto.

15. Severability. Whenever possible, each provision of this Stipulation Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Stipulation Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Stipulation Agreement.

16. No Strict Construction. The language used in this Stipulation Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any person.

Date: August 17, 1989

STATE OF MINNESOTA

By John H. Tunkim, CHIEF DEPUTY
Attorney General

MINNESOTA POLLUTION CONTROL AGENCY

By Daniel D. Foley
Daniel D. Foley, M.D.
Chair, Minnesota Pollution
Control Agency Board

By Gerald L. Willet
Gerald L. Willet,
Commissioner

MINNESOTA DEPARTMENT OF NATURAL
RESOURCES

By Joseph Alexander
Joseph Alexander,
Commissioner

RESERVE MINING COMPANY

By Bruce D. Scherling
Bruce D. Scherling
Trustee-in-Bankruptcy

ARMCO INC.

By Robert W. Kent

FIRST TACONITE COMPANY, INC.

By James R. Hildner

CYPRUS MINERALS COMPANY

By 

CYPRUS NORTHSHORE MINING CORPORATION

By Michael J. Harrington

October 3, 2008

Certificate of Name Change



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
10/07/2008	200828001974	DOMESTIC/AMENDMENT TO ARTICLES (AMD)	50.00	100.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

CT CORPORATION SYSTEM
4400 EASTON COMMONS WAY, SUITE 125
ATTN: TIMOTHY ROBERSON
COLUMBUS, OH 43219

STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jennifer Brunner

649806

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

CLIFFS NATURAL RESOURCES INC.

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC/AMENDMENT TO ARTICLES

Document No(s):

200828001974

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of
the Secretary of State at Columbus,
Ohio this 3rd day of October, A.D.
2008.

Ohio Secretary of State



Prescribed by:

The Ohio Secretary of State
Central Ohio: (614) 466-3910

Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us

e-mail: busseerv@sos.state.oh.us

Expedite this Form: (Select One)

☒ Yes ☐ No

PO Box 1390
Columbus, OH 43218
*** Requires an additional fee of \$160 ***

PO Box 1028
Columbus, OH 43216

Certificate of Amendment by Directors or Incorporators to Articles

(Domestic)

Filing Fee \$50.00

(CHECK ONLY ONE (1) BOX)

(1) <input checked="" type="checkbox"/> Amendment by Directors <input type="checkbox"/> Amended by Directors (123-AMDD)	(2) <input type="checkbox"/> Amendment by Incorporators <input type="checkbox"/> Amended by Incorporators (124-AMDI)
--	---

Complete the general information in this section for the box checked above.

Name of Corporation Cleveland-Cliffs IncCharter Number 649806
☐ Please check if additional provisions attached hereto are incorporated herein and made a part of these articles of organization.

Complete the information in this section if box (1) is checked.

Name and Title of Officer George W. Hawk, Jr.
(name)General Counsel and Secretary
(Title)

(CHECK ONLY ONE (1) BOX)

☒ A meeting of the directors was duly called and held on September 9, 2008
(Date)

☐ In an writing signed by all the Directors pursuant to section 1701.54 of the ORC

The following resolution was adopted pursuant to section 1701.70(B) (6) of the ORC:
(Insert proper paragraph number)

Resolved: That pursuant to Section 1701.70(B)(6) of the Ohio Revised Code, the Directors hereby adopt an
amendment to Article FIRST of the Amended Articles of Incorporation to change the name of the Corporation
to be Cliffs Natural Resources Inc., effective as of October 15, 2008.

Complete the information in this section if box (2) is checked.

WE, the undersigned, being all of the incorporators of the above named corporation, do certify that the subscriptions to shares have not been received and the initial directors are not named in the articles. We hereby have elected to amend the articles as follows:

REQUIRED
Must be authenticated (signed)
by an authorized representative
(See Instructions)

Authorized Representative

George W. Hawk, Jr.

(Print Name)

October 2, 2008

Date

Authorized Representative

(Print Name)

Date

Authorized Representative

(Print Name)

Date