



CLIFFS NATURAL RESOURCES INC.

Northshore Mining Company
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June 13, 2013

Ms. Julie Jordan
Mineland Reclamation Specialist, Principal
DNR-Lands and Minerals
1525 Third Ave. E.
Hibbing, MN 55746

Dear Ms Jordan,

After reviewing the basin five year operating plan and historical data, the Mile Post 7 tailings basis can accommodate the additional tailings produced from the ore uncovered from the movement of the Virginia Formation Type II.

The ultimate elevation of the basin is 1315'. 3' of aggregate cover at the beaches needs to occur at closure so fine tailings can be placed to 1312'. The projected level at year end is 1215', currently at 1213.6'. According to the production schedule within the 2013 reserve base analysis using an annual rate of 5.8 MT product, the current Permit to Mine tonnage of 680MT plus the additional 70MT (750MT total) will be exhausted in the year 2057 or 44 years.

The allowable rate of rise at the basin is 2.2'/yr. Therefore the Mile Post 7 basin has sufficient capacity to hold the tailings from the additional 70 MT of ore from the Permit to Mine amendment request.

If you have any further question or comment, please feel free to contact me.

Sincerely,

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