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**PART I – FINANCIAL INFORMATION**

4 Item 1 – Financial Statements  
[Statements of Unaudited Condensed Con](#)



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[Redacted content]

**CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2008

**NOTE 1 – BASIS OF PRESENTATION**

The acco:

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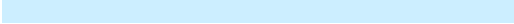
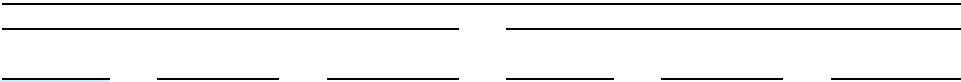
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November 15, 2008. Early application is encouraged. We are currently evaluating the impact adoption of this Statement







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remaining purchase price over the nlc ¼%i



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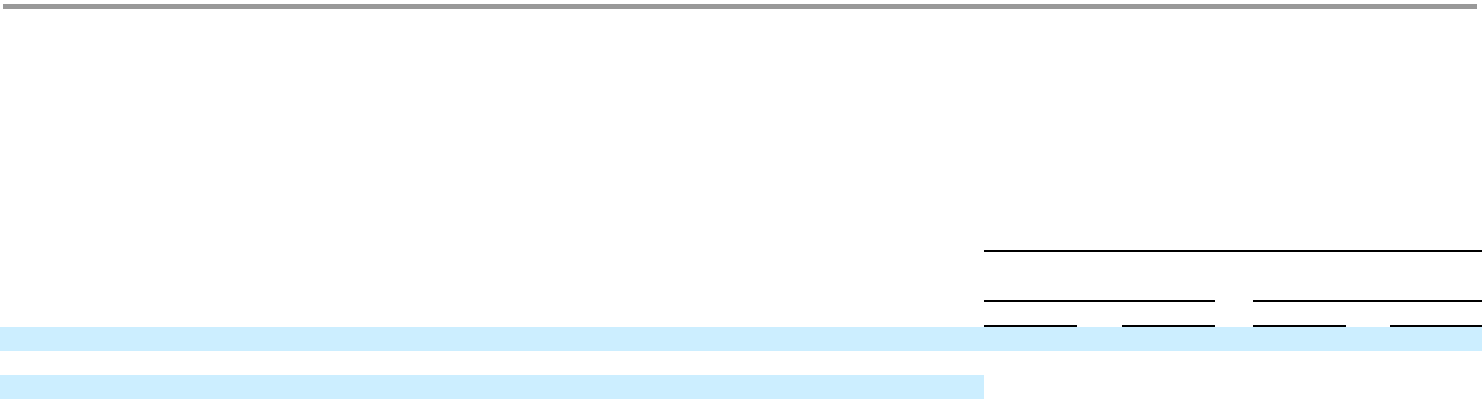
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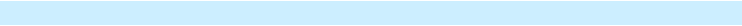
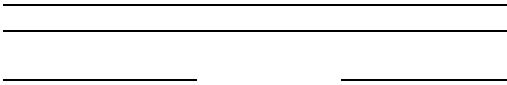


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price is settled, is marked to fair value as a revenue adjustment each reporting period based upon the estimated forward settlement until the benchmark is actually settled. The fair value of the instrument is determined based on the forward price expectation of the annual international benchmark price. We recognized \$160.6 million as *Product* revenues in the Statements of Unaudited Condensed Consolidated Operations



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**NOTE 18 – SUBSEQUENT EVENTS**

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS**



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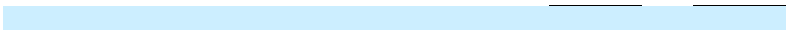
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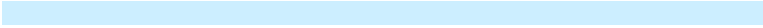
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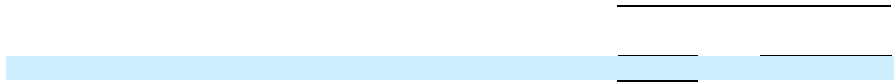




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The increase in interest income for both the quarter and year to date is primarily attributable to additional cash and investments held by the Company during the period coupled with higher average returns. Higher interest expense in both the second quarter and first





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billion. We strongly disagree with Dofasco's all'



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2008 spot rate. A 100 basis point increase in the value of the Australian dollar from the month-end rate would increase the fair value by approximately \$40.1 million and a 100 basis point decrease would reduce the fair value by approximately \$49.1 million.

Our share of pellets produced at the Wabush operation in Canada represents approximately five percent of our North American iron ore pellet production. This operation is subject to currency exchati



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*Sonoma Coal Project Outlook*

We



**FORWARD-LOOKING STATEMENTS**

This report contains statements that constitute “forward-looking statements.” These forward-looking statements are

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required to apply its juju

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*American Steamship Litigation.* On May 20, 2008, a jury returned a verdict in favor of Cliffs Sales Company with respect to overcharges for fuel Adjustments. The jury awarded Cliffs Sales damages tot S

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price of our common shares may fluctuate to the extent that the current market prices of those shares reflect a market assumption that the merger will be completed. We will also be obligated to pay certain interest on the debt in the event that the merger is not completed.



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Exhibit Index

Exhibit Number	Exhibit
2(a)	# Purchase and Sale Agreement by and among Cliffs UTAC Holding LLC, Cleveland-Cliffs Inc, Unit <del>332</del> <sup>334</sup>

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10(a) \* Form of letter to Participants of the 2006-2008 and the 2007-2009 Performance Share Periods amending the payment calculation 2 ¾







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receipt and sufficiency of which are hereby acknowledged, and intend nk

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attached here

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5. *Shortfall and Repurchase.*

(a) If, on th

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(c) If the Shelf Registration Date has not occurred on or before on January 11, 2009, and the Seller is not permitted to sell or trade the Shares under Rule 144, then upon written notice to Parent (the "*Put Exercise Notice*") at any time after January 11, 2009 until the earlier of (i) the Shelf Registration Date or (ii) the date that Seller is permitted to sell g

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(ii) Ci

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the Shares,









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sustained by any of such Persons based upon, arising out of or otherwise in respect of (i) any inaccuracy or breach by the Seller of the representations and warranties contained in Section 8(f) and (ii) any claim, lawsuit, proceeding, challenge, complaint or cause of action initiated or threatened by or on behalf of US Steel Canada, Inc. (f/k/a Stelco Inc., a Canadian corporation, "*US Steel 1*")





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If to the Seller, to:

Unit





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representatives to not, directly or indirectly, at any time, disclose, furnish, disseminate, mak



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20. *Miscellaneous.*

(a) S dc

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consent of the other parties,













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Some holders of the 2006 grants elected the Quarterly Method and some elected the Entire Period Method. However, because of the dramatic upswing in the relative

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beneficiary designation may be changed or revoked by a Participant at any time, provided the change or revocation is filed w











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CLEVELAND-CLIFFS INC  
("Company")

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Joseph A. Carrabba  
Chairman and Chief Executive Officer

The undersigned hereby acknowledges receipt of an executed original of this Participant Grant and Agreement and accepts the Performance Shares and Restricted Share

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**CONFIDENTIAL MATERIAL HAS BEEN  
OMITTED AND FILED SEPARATELY WITH THE  
SECURITIES EXCHANGE COMMISSION.  
ASTERISKS DENOTE SUCH OMISSIONS.**

*CONFIDENTIAL*

*Term Sheet*  
*Wd A Vx n' p A Wph4 hky v p*

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**CONFIDENTIAL MATERIAL HAS BEEN  
OMITTED AND FILED SEPARATELY WITH THE  
SECURITIES EXCHANGE**

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**CONFIDENTIAL MATERIAL HAS BEEN  
OMITTED AND FILED SEPARATELY WITH THE  
SECURITIES EXCHANGE COMMISSION.**  
ASTERISKS DENOTE SUCH OMISSIONS

**CONFIDENTIAL MATERIAL HAS BEEN  
OMITTED AND FILED SEPARATELY WITH THE  
SECURITIES EXCHANGE COMMISSION.  
ASTERISKS DENOTE SUCH OMISSIONS.**

**CONFIDENTIAL COMPANY**

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material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to the Holder to suspend the use of the Prospectus until the requisite changes have been made); provided that the Holder shall maintain the confidentiality of such advice to the extent such advice contains non-public information as designated by the Company.

(d) The Company shall use its commercially reasonable efforts to prevent the issuance, and if issued to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Shelf Registration Statement.

(e) The Company shall furnish to the Holder, without charge, at least one copy of the Shelf Registration Statement and all post-effective amendments thereto, including financial statements and schedules, and, if the Holder so requests in writing, all reports, other documents and exhibits that are filed with or incorporated by reference in the Shelf Registration Statement.

The Company shall, during the Effectiveness Period, deliver to the Holder, without charge, as many copies as the Holder may reasonably request of the Shelf Registration Statement and all post-effective amendments thereto, including financial statements and schedules, and, if the Holder so requests in writing, all reports, other documents and exhibits that are filed with or incorporated by reference in the Shelf Registration Statement.







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(d) *Contribution.* If the



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6. *Miscellaneous.*

(a) *Other Registration Rights.* The Co

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IN WITNESS WHEREOF, the parties have executed this Agreement, the date first above written.

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CERTIFICATION

I, Joseph A. Carrabba, certify that:

1. I have reviewed this quarterly report on Form 10-Q o

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(d) Disclo

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CERTIFICATION

I, Laurie Bras, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cleveland-Cliffs Inc;
2. Based on my knowledge, this report does not contain any untrue or ~~of~~ not co ~~on~~\*~~3~~\*~~3~~ noo .t

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