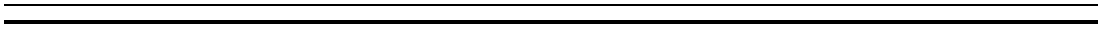


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Notes to Financial Statements

The following description of The Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan (the "Plan") provides only general informat2e ¾



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Upon termination of service by reason of retirement, disability, or other reasons, a participant has the option to keep their funds in the Plan without option of contribution until age 70 1/2 or receive a lump sum equal to the value of his or her account. Upon death, a participant's beneficiary receives a lump sum amount equal to the value of his or her account.

Hardship withdrawals are permitted in accordance with the Plan and Internal Revenue Service guidelines.

Upon enrollment in the Plan, a participant may direct his or her contributions to any or all of the investment options offered by the Plan. Participant elections may be adjusted or reallocated at any time by the participants.

The Plan's transactions are reported on the accrual basis of accounting. All investment securities are stated at fair value as measured by quoted prices in active markets. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan at the date of the financial statements. The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

The Plan pays the trustee fees, audit fees and other expenses of the Plan, unless the Company elects to pay all or part of the Net Asset Value of

ASC ("Accounting Standards Codification") 820 establishes a three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

- * Level 1: Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- * Level 2: Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- * Level 3: Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

The fair value of the common stocks and mutual funds are based on quoted market prices. These instruments are classified in the Level 1 category of the hierarchy.

The fair value of the stable value investment contract is determined by discounting the scheduled future payments required under the contract using an interpolated market rate for contracts with maturities comparable to the average remaining life of the contract being valued. Fair value reflects interest accrued on the contract, assuming the contract is held to maturity and, therefore, not subject to any adjustments that could be assessed by the issuer for certain types of withdrawals or early surrender by the trust. The fair value of wrapper contracts reflects the discounted present value of the difference between the current wrap contract cost and its replacement cost, based on issuer quotes. The contract is classified in the Level 2 category of the valuation hierarchy.

We consent to the incorporation by reference to the Registration Statement (Form S-8 No. 033-56661) pertaining to the
of our report dated June 13, 2014, with respect
to the financial statements and related schedules of the Northshore Mining Company & Silver Bay Power Company Retirement Savings
Plan included in this Annual Report (Form 11-K) for the years ended December 31, 2013 and 2012.

/s/ Meaden & Moore, Ltd.

Meaden & Moore, Ltd.
Cleveland, Ohio
June 13, 2014