

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): September 14, 2004

Cleveland-Cliffs Inc

(Exact Name of Registrant as Specified in Charter)

Ohio (State or Other Jurisdiction of Incorporation)	1-8944 (Commission File Number)	34-1464672 (IRS Employer Identification No.)
1100 Superior Avenue, Cleveland, Ohio (Address of Principal Executive Offices)		44114 (Zip Code)
Registrants' telephone number, including area code:		(216) 694-5700

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement.

On September 14, 2004, certain subsidiaries of Cleveland-Cliffs Inc (the "Company"), specifically The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company and Cliffs Sales Company, entered into an Amended and Restated Pellet Sale and Purchase Agreement with International Steel Group Inc. and ISG Weirton Inc. (the "Pellet Agreement"). The Pellet Agreement is effective as of May 17, 2004.

In conjunction with the acquisition of Weirton Steel Corporation, ISG Weirton Inc. assumed, with certain modifications, the Pellet Sale and Purchase Agreement t t tomnK

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cleveland-Cliffs Inc

By: /s/ Donald J. Gallagher

Name: Donald J. Gallagher

Title: Senior Vice President, Chief
Financial Officer and Treasurer

Date: September 20, 2004

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10(a)	*Amended and Restated Pellet Sale and Purchase Agreement, dated and effective May 17, 2004, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Cliffs Sales Company, International Steel Group Inc. and ISG Weirton Inc.

* Confidential treatment requested as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

CONFIDENTIAL TREATMENT
CLEVELAND-CLIFFS INC HAS REQUESTED THAT THE
MARKED PORTIONS OF THIS DOCUMENT BE ACCORDED
CONFIDENTIAL TREATMENT PURSUANT TO RULE 24B-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934

AMENDED AND RESTATED PELLET SALE AND PURCHASE AGREEMENT

THIS AGREEMENT, entered into, dated and effective as of May 17, 2004 ("Agreement"), by and among THE CLEVELAND-CLIFFS IRON COMPANY, an Ohio corporation ("Iron"), CLIFFS MINING COMPANY, a Delaware corporation ("Mining"), NORTSHORE MINING COMPANY, a Delaware corporation ("Northshore"), CLIFFS SALES COMPANY, an Ohio corporation ("Sales"; Iron, Mining, Northshore and Sales being collectively referred to herein as "Cliffs"), INTERNATIONAL STEEL GROUP INC., a Delaware corporation ("ISG"), and ISG WEIRTON INC., a Delaware corporation ("ISG Weirton"; ISG, and ISG Weirton being collectively referred to herein as "Steel").

RECITALS

WHEREAS, Cliffs and Weirton Steel Corporation ("Weirton") are parties to that certain Pellet Sale and Purchase Agreement dated September 30, 1991 (the "Original Contract"), pursuant to which Cliffs provided Weirton with iron ore pellets in connection with Weirton's steel manufacturing and processing activities;

WHEREAS, on May 19, 2003, Weirton filed for protection under Chapter 11 of the United States Bankruptcy Code in the bankruptcy case styled In re: Weirton Steel Corporation, et al., case number 5:03-BK-1802 (the "Bankruptcy Case") in the United States Bankruptcy Court for the Northern District of West Virginia;

WHEREAS, at the time of the filing of the Bankruptcy Case, Cliffs and Cleveland-Cliffs Inc asserted a claim for Weirton's alleged default under the Original Contract in the amount of \$1,010,996.82 (the "Cure Amount");

ISG WEIRTON AMD PELLET SALE

WHEREAS, in connection with the Bankruptcy Case, Steel has acquired substantially all of Weirton's assets, including an assignment by Weirton of the Original Contract pursuant to Section 365 of the United States Bankruptcy Code to Steel, which Steel has expressly agreed to assume;

WHEREAS, in order to secure the consent of Cliffs to the assignment by Weirton and the assumption by ISG of the Original Contract, Cliffs and Steel have entered into a certain letter agreement dated April 21, 2004, setting forth the terms and conditions by which the Cure Amount would be waived by Cliffs and the Original Contract would be amended; and

WHEREAS, Cliffs desires to continue to sell to Steel and Steel desires to continue to purchase from Cliffs certain quantities of grades of iron ore flux pellets and iron ore standard pellets as follows: (i) such grades of iron ore flux pellets being those produced at the Tilden Mining Company, L.C. iron ore pellet plant ("Tilden Pellets"), located in Tilden, Michigan; (ii) such grades of iron ore standard pellets being those produced at the Northshore Mining Company iron ore pellet plant ("Northshore Pellets"), located in Silver Bay, Minnesota; (iii) such grades of iron ore standard pellets being those produced at the Hibbing Taconite Company Joint Venture iron ore pellet plant ("Hibbing Pellets"), located in Hibbing, Minnesota; (iv) such grades of iron ore partially fluxed pellets produced at the United Taconite LLC iron ore pellet plant ("Utac Pellets"), located in Eveleth, Minnesota; or (iv) such other pellet grades as may be mutually agreed to by the parties hereto (such Tilden Pellets, Northshore Pellets, Hibbing Pellets, Utac Pellets and other mutually agreed upon pellets collectively being referred to herein

ISG WEIRTON AMD PELLET SALE

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ASTERISKS DENOTE SUCH OMISSIONS.

as "Cliffs Pellets"), all upon the terms and subject to the conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Cliffs and Steel agree as follows:

SECTION 1. - DEFINITIONS.

SECTION 4. - NOTIFICATION AND NOMINATION.

(a). With respect to the tonnage of Cliffs Pellets to be purchased by Steel for the year 2004, as provided in Section 2, on or before June 30, 2004 of the current year, Steel shall notify Cliffs in writing of Steel's preliminary tonnage of Steel's Annual Pellet Tonnage Requirements which Steel shall purchase from Cliffs. Such notification shall be in the form set forth in Exhibits 2A and 2B to this Agreement and shall include the following: (i) Steel's Annual Operating Plan for the Weirton Works for the balance of the current year detailed by months, as such Annual

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(4) [****]

(5) Attached as Exhibits 3 and 4 are examples of the calculations applying the provisions of Sections 5(f)(i).

(ii) In the event that in any year [****] annual total [****] are less than [****] of [****] total annual [****], then Cliffs and Steel agree to review the annual total [****] of ISG Cleveland, Inc. ("ISG Cleveland"). If the annual total [****] of ISG Cleveland for that year are greater than or equal to [****] of ISG Cleveland's total annual [****], then the provisions of Section 5(f)(i) shall apply without further modification. If such [****] threshold is still not satisfied, then Cliffs and Steel agree to substitute another [****] which substituted [****] comprises an amount in excess of [****] of [****] total annual [****] in order to determine the [****]. The [****] and [****] which are used for the [****], as provided for in Section 5(f)(i) above, shall be adjusted as follows: (i) the actual average [****] of [****] substituted [****] from the previous year, less (ii) the [****] from the previous year, (iii) with the difference between (i) and (ii) above being added to both the [****] and the [****] to determine the revised [****] for the substituted [****] in order to determine the [****].

SECTION 6. - PAYMENTS AND ADJUSTMENTS.

(a). Cliffs shall invoice Steel for each shipment of Cliffs Pellets delivered to the Lower Lake Docks and payment for shipments of Cliffs Pellets shall be

ISG WEIRTON AMD PELLET SALE

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made via wire transfer no later than [****] following delivery of the Cliffs
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Pellets to the Lower Lake Docks. ce b ment Cc@cbbddf Cliffs bar

(b). Prices for Cliffs Pellets shall be adjusted on a calendar quarterly basis based upon estimated and actual changes in the published indices specified in Section 5(c) ("Quarterly Price Adjustment"). Cliffs shall calculate the Quarterly Price Adjustment and provide Steel with such Quarterly Price Adjustment by the 15th day after the end of each calendar quarter, or on such later date as may be mutually agreed between Cliffs and Steel. Cliffs shall issue an invoice y n 5(c))) Q and èment and endar c art

shipment (the "PMSI Termination Date"). Prior to the a

provided, however, that any party may change the address to which notices or other communications to it shall be sent by giving to the other party written notice of such change, in which case notices and other communications to the party giving the notice of the change of address shall not be deemed to have been sufficiently given or delivered unless addressed to it at the new address as stated in said notice.

SECTION 15. - TERM.

(a). The term of this Agreement shall commence as of the date hereof and continue through December 31, 2018. Unless either party has given written notice of termination to the other party by December 31, 2017 (twelve months prior to termination), this Agreement shall continue on an annual basis after December 31, 2018 (original termination year) subject to subsequent termination by either party upon not less than twelve months' prior written notification to the other party, in which case the Agreement shall terminate at the end of the next succeeding year.

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(b). This Agreement shall remain valid and fully enforceable for the fulfillment of obligations incurred prior to termination.

SECTION 16. - AMENDMENT.

This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

SECTION 17. - MERGER, TRANSFER AND ASSIGNMENT.

(a). Steel shall not merge, consolidate or reorganize with any person, partnership, corporation or other entity unless the surviving or resulting person, partnership, corporation or other entity assumes in writing all of Steel's obligations under this Agreement. Any obligations required to be assumed by a surviving or resulting person, partnership, corporation or entity in accordance with this Section 17(a) shall be limited to the Steel obligations under this Agreement, and this Section 17(a) is not intended (i) to impose and ~~shall not~~ be deemed to impose upon any such surviving or resulting person, partnership, corporation or entity, including Steel, any obligation with respect to any pellet requirements it may have for any facility or facilities it owns or operates other than the Weirton Works, nor (ii) to allow the surviving or resulting person, partnership, corporation or other entity to substitute any other pellet tonnage available from any other pellet purchase or pellet equity commitment of such surviving or resulting person, partnership, corporation or other entity in order to satisfy the assumed obligations under this Agreement for the Weirton Works.

~~See also~~ (b). Steel shall not resell or transfer all or any of the blast furnace operations at the Weirton Works to any other person, partnership, corporation,

ISG WEIRTON AMD PELLET SALE

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joint venture or other entity ("Transferee") unless the Transferee ship, ra

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(f). All the covenants, stipulations and agreements herein contained shall inure to the benefit of and bind the parties hereto and their respective successors, transferees and permitted assigns, and any of the latter's subsequent successors, transferees and permitted assigns.

SECTION 18. - WAIVER.

No waiver of any of the terms of this Agreement shall be valid unless in writing. No waiver or any breach of any provision hereof or default under any provisions hereof shall be deemed a waiver of any subsequent breach or default of any kind whatsoever.

SECTION 19. - CONFIDENTIALITY.

(a). Cliffs and Steel acknowledge that this Agreement contains certain pricing, adjustment and term provisions which are confidential, proprietary or of a sensitive commercial nature and which would put Cliffs or Steel at a competitive disadvantage if disclosed to the public, including without limitation, Section 3, Section 5+tttit 1

delivery of this Agreement by Cliffs and the performance of its obligations hereunder have been duly authorized by all requisite corporate actions, (ii) neither the execution and delivery of this Agreement nor the performance of its obligations hereunder by Cliffs shall, or after the lapse of time or giving of notice shall, conflict with, violate or result in a breach of, or constitute a default under the certificate of incorporation or bylaws of Cliffs or any law, statute, rule or regulation applicable to it, or conflict with, violate or result in the breach of or constitute a default under any material agreement to which it is a party or by which it or any of its properties is bound, or any judgment, order, award or decree to which Cliffs is a party or by

ISG WEIRTON AMD PELLET SALE

which it is bound, or require any approval, consent, authorization or other action by any court, governmental authority or regulatory body or any creditor of Cliffs or any other person or entity, and (iii) this Agreement constitutes a valid and binding obligation of Cliffs and is enforceable against Cliffs in accordance with its terms.

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This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute the same instrument.

SECTION 23. - ARBITRATION.

(a). Upon notice by either party to the other, all dNzae

(vii) In connection with any arbitration related to this Agreement, the party shall be responsible for its own costs and expenses, and the parties will equally split the cost of conducting the arbitration itself.

(b). The judgment of the arbitrators shall be final and binding on the parties, and judgment upon the award rendered by the arbitrators may be entered and enforced by any court of the United States or any state thereof.

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Steel's Annual Pellet Tonnage Requirements.....
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- LETTER "V" DENOTES - ANALYSIS TO BE PROVIDED ON EACH VESSEL SHIPMENT OF PELLETS
- LETTER "SA" DENOTES - ANALYSIS TO BE DONE ON A COMPOSITE SAMPLE OF SEMI-ANNUAL VESSEL SHIPMENTS
- LETTER "M" DENOTES - ANALYSIS TO BE DONE ON A RANDOM MONTHLY CARGO

EXHIBIT 2A

ISG - WEIRTON INC
PELLET ORE BAL...SC

EXHIBIT 3

PRICE ADJUSTMENT FORMULA
TILDEN, HIBBING, NORTHSHORE, AND UNITED PELLETS
FOR YEARS 2005 THROUGH 2018

<TABLE>			
<S>		<C>	<C>
[****]			
	[****]		
(1) Current Year's [****] - Preceding Year's [****]		X [****]	= A
	Preceding Year's [****]		
(2) Current Year's [****] - Preceding Year's [****]		X [****]	= B
	Preceding Year's [****]		
(3)(4) {(A+B) X [****]	X Preceding Year's Adjusted		= Current Year's Price Adjustment
Per Iron Unit	Price Per Iron Unit		
CURRENT YEAR'S ADJUSTED PRICE PER IRON UNIT			
(5) Current Year's Price Adjustment	+ Preceding Year's Adjusted		= Current Year's Adjusted Price Per Iron
Unit	Price Per Iron Unit		
Per Iron Unit			
CURRENT YEAR'S ESTIMATED PELLETT PRICE PER TON			
(6) Current Year's Adjusted	X Current Year's Expected Natural		= Current Year's Estimated Pellet Price
Per Ton	Iron Content		
Price Per Iron Unit			
</TABLE>			

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EXHIBIT 4

[* * * *] FORMULA
TILDEN, HIBBING, NORTHSHORE, AND UNITED PELLETS
FOR THE YEARS 2004 THROUGH 2018

<TABLE>						
<CAPTION>						
	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3	EXAMPLE 4	EXAMPLE 5	EXAMPLE 6
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
[****]						
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	-----	-----	-----	-----	-----	-----
	[****]	[****]	[****]	[****]	[****]	[****]
</TABLE>						

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EXHIBIT 5

SUBSTITUTE [* * * *] EXAMPLE
[* * * *]
FOR YEARS 2004 THROUGH 2018

<TABLE>	
<S>	<C>
Contract [****]	
Contract [****]	
In The Event That [****] Annual Total [****] Are Less Than [****], Then Steel And Cliffs Agree To Substitute Another [****] [****] - Substitute [****]	
DETERMINE SUBSTITUTE [****]	
(1) Current Year's Actual Average [****] of Substituted [****] - Prior Year's [****]	= A

$$(2) A + [****] = [****]$$

$$(3) A + [****] = [****]$$

RESULTS FROM (2) AND (3) ABOVE DETERMINE SUBSTITUTE [****]
</TABLE>