
SIGNATURE

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: George W. Hawk, Jr.
Name: George W. Hawk, Jr.
Title: Assistant Secretary

Date: December 29, 2004

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10(a)	* First Amendment to Pellet Sale and Purchase Agreement, dated and effective as of December 16, 2004, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Cliffs Sales Company, International Steel Group Inc., ISG Cleveland Inc. and ISG Indiana Harbor Inc.

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



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

(c)



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(e) Attached as Exhibit 5 is an example of the adjustment formula applying the provisions of Sections 5A(b) and 5A(c).

(f)(i) Beginning in [****], a Special Payment shall be made in each year, wherein Cliffs shall pay Steel or Steel shall pay Cliffs, as the case may be, if [****]. The amount of the Special Payment shall be determined as follows:

- (1) In any contract year in which [****], Cliffs shall pay Steel an amount equal to: (w) the amount [****], (x) multiplied by [****], (y) multiplied by [****], (z) multiplied by the total tons of Cliffs Pellets which Steel [****] in the contract year.
- (2) In any contract year in which [****], Steel shall pay Cliffs an amount equal to: (w) the amount [****], (x) multiplied by [****], (y) multiplied by [****], (z) multiplied by the total tons of Cliffs Pellets which Steel [****] in the contract year.
- (3) For the purpose of estimating the Special Payment, a steel pricing payment calculation shall be made by Steel following the end of each quarter, using the formula provided for in Sections 5A(f)(i)(1) and 5A(f)(i)(2) above for each quarter. This calculation (and payment, if any) shall be based on [****]. Within 30 days following each quarter Steel shall notify Cliffs in writing of the amount (if any) payable by Cliffs to Steel or Steel to Cliffs, and a quarterly payment, if any, shall be made by Cliffs to Steel or Steel to Cliffs, as the case may be, within 45 days after the end of each quarter.
- (4) The final Special Payment calculation shall be made after the end of the year in accordance with Sections 5A(f)(i)(1) and 5A(f)(i)(2) above which will reflect [****] adjustment will be made to reflect any difference between the actual year's Special Payment and the quarterly estimated payments that were made during the year. Payment due, from either party, as a result of the actual annual calculation shall be made by February 15 of the year following the contract year.

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(5) Attached as Exhibits 6 and 7 are examples of the calculations applying the provisions of Sections 5A(f)(i).

(ii) In the event that in any year [****] are less than [****], then Cliffs and Steel agree to review the [****]. If the [****] are greater than or equal to [****] of Steel's [****], then the provisions of Section 5A(f)(i) shall apply without further modification. If such [****] threshold is still not satisfied, then Cliffs and Steel agree to substitute [****]. The [****] which are used for the price ranges, as provided for in Section 5A(f)(i) above, shall be adjusted as follows: (i) the [****] (ii) the [****], (iii) with the difference between (i) and (ii) above being added to both the [****] to determine the revised ranges for the [****] in order to determine the Special Payment.

(g) Prices for Cliffs Pellets shall be adjusted on a calendar quarterly basis based upon estimated and/or actual changes, as applicable, in the published indices specified in Section 5A(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 or credit memo, as the case may be, to Steel concurrently with the Quarterly Price Adjustment, and payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made by the 15th day following issuance of the invoice or credit memo, as the case may be.

6. Exhibit 1 is hereby deleted and a new Exhibit 1 is hereby attached to this Agreement and incorporated in the Agreement by reference.

***** END OF PAGE *****

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EXHIBIT 5

PRICE ADJUSTMENT FORMULA
[*], [***], [***], [***], AND [***] PELLETS**
FOR YEARS 2005 THROUGH 2016

Current Year's Price Adjustment Calculation

1. Section 5A(b) and 5A(c)

- | | | | | | |
|---------|-----------------------|---|---|---|---|
| (1) | $\frac{[***]}{[***]}$ | X | [***] | = | A |
| (2) | $\frac{[***]}{[***]}$ | X | [***] | = | B |
| (3) (4) | ((A + B) X 75.00%) | X | Preceding Year's Adjusted Price Per Iron Unit | = | Current Year's Price Adjustment Per Iron Unit |

Current Year's Adjusted Price Per Iron Unit

- | | | | | | |
|-----|---|---|---|---|---|
| (5) | Current Year's Price Adjustment Per Iron Unit | + | Preceding Year's Adjusted Price Per Iron Unit | = | Current Year's Adjusted Price Per Iron Unit |
|-----|---|---|---|---|---|

Current Year's Estimated Pellet Price Per Ton

- | | | | | | |
|-----|---|---|--|---|---|
| (6) | Current Year's Adjusted Price Per Iron Unit | X | Current Year's Expected Natural Iron Content | = | Current Year's Estimated Pellet Price Per Ton |
|-----|---|---|--|---|---|
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