

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington D.C. 20549

FORM 11-K

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK
REPURCHASE SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 1-8944

(Full Title of the plan and the address of the plan,
if different from that of issuer named below)

**NORTHSHORE MINING COMPANY
and
SILVER BAY POWER COMPANY
RETIREMENT SAVINGS PLAN**

**10 OUTER DRIVE
SILVER BAY, MINNESOTA 55614**
(Name of Issuer of the securities held pursuant to
the Plan and the address of its principal executive office)

**CLIFFS NATURAL RESOURCES INC., 200 Public Square, Suite 3300,
Cleveland, Ohio 44114-2513**

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NORTHSHORE MINING COMPANY
AND
SILVER BHE " " | PH | PC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Plan Administrator
Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan
Cleveland, Ohio

We have audited the accompanying statement of net assets available for benefits of the NORTHSHORE MINING COMPANY AND SILVER BAY POWER COMPANY RETIREMENT SAVINGS PLAN as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

During 2008, the Plan adopted Statement of Accounting Standards ("SFAS") 157, "Fair Value Measurements."

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Northshore Mining Company And Silver Bay Power Company Retirement Savings Plan as of December 31, 2008 and 2007, and the changes in its n its n i

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STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

	Year Ended December 31	
	2008	2007
Additions to Net Assets Attributed to:		
Contributions:		
Employer	\$ 8,061,466	\$ 3,992,717
Employee	3,568,576	3,227,795
Rollover	189,351	223,265
	<u>11,819,393</u>	<u>7,443,777</u>
Interest and dividend income	2,137,921	4,290,518
Net unrealized gain on investments	—	7,008,092
	<u>13,957,314</u>	<u>18,742,387</u>
Deductions from Net Assets Attributed to:		
Benefits paid to participants	3,364,881	4,323,641
Net unrealized loss on investments	28,714,984	—
Administrative expenses	6,856	1,100
	<u>32,086,721</u>	<u>4,324,741</u>
Net Increase (Decrease)	<u>(18,129,407)</u>	<u>14,417,646</u>
Net Assets Available for Benefits:		
Beginning of Year	<u>77,002,082</u>	<u>62,584,436</u>
End of Year	<u>\$ 58,872,675</u>	<u>\$ 77,002,082</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

1 Description of Plan

The following description of The Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General:

The Plan, which began October 1, 1994, is a defined contribution plan covering all employees of Northshore Mining Company & Silver Bay Power Company who meet the eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan has been restated, effective January 1, 2007.

Eligibility:

All full-time employees of the Companies are eligible to participate in the Plan.

Contributions:

Employee deferral - Participants may elect a portion of their compensation between 1% to 35%, to be contributed to the Plan by the Company.

Employer Contributions - The Company contributes a matching contribution equal to 50% of Participant pre-tax contributions not in excess of 6% of participant's eligible earnings for the Plan year. An additional matching amount may be contributed by the Company based on the excess of 5% of the Company's pre-tax earnings over the minimum matching contribution.

The Company may also contribute for any Plan year additional matching amounts (as limited) as shall be determined by the Board of Directors of the Company.

Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code as defined in the Plan agreement.

NOTES TO FINANCIAL STATEMENTS

Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

1 Description of Plan, Continued

Participants' Accounts:

401(k) Accounts - Each participant's account is credited with the participant's elective contributions, employer matching contributions, earnings and losses thereon. Plan participants are allocated participation in the fund(s) based on cash value. Under the cash value method, total monthly earnings are divided by the total value of the fund(s) to obtain a ratio, which is then multiplied by each participant's account balance in the fund(s) at the beginning of the month.

Rollover contributions from other Plans are also accepted, providing certain specified conditions are met.

Vesting:

All participants are 100% vested in elective deferrals, rollover contributions and company matching and discretionary contributions made to the Plan.

Participants' Loans:

Loans are permitted under certain circumstances and are subject to limitations. Participants may borrow from their fund accounts, minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loans are repaid over a period not to exceed 5 years with exceptions for the purchase of a primary residence.

The loans are secured by the balance in the participant's account and bear interest at rates commercially reasonable that are published on the first day of the month proceeding the month the loan was granted. Principal and interest are paid ratably through monthly payroll deductions.

Payment of Benefits:

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 beneficiaries receives a lump sum amount equal to the value of his or her account.

Hardship Withdrawals:

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

NOTES TO FINANCIAL STATEMENTS

Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

4 Investments, Continued

Net realized and unrealized appreciation in the fair value of investments, as determined by quoted market prices, is as follows:

	For the Year Ended	
	December 31	
	2008	2007
Cliffs Natural Resources, Inc. Common Stock	<u>\$ (11,788,048)</u>	<u>\$ 6,737,305</u>
Equity Mutual Funds	<u>(16,926,936)</u>	<u>270,787</u>
	<u>\$ (28,714,984)</u>	<u>\$ 7,008,092</u>

5 Benefit Responsive Contract

Guaranteed investment contracts are valued at fair value and adjusted to contract value which is cost plus accrued income minus redemptions, because these investments have fully benefit-responsive features. The fair value of the investment contract at December 31, 2008 and 2007, was \$4,660,963 and \$5,199,118, respectively and the contract value of the investment contract at December 31, 2008 and 2007 was \$4,704,655 and \$5,168,389, respectively.

The plan holds a stable value investment contract with T. Rowe Price Trust Company, the trustee. The investment contract consists of a portfolio of underlying assets owned by the Plan, and a wrap contract issued by a financially responsible third party, typically a bank, insurance company, or other financial services institution. The issuer of the wrap contract provides for unscheduled withdrawals for the contract at contract value, regardless of the value of the underlying assets, in order to fund permitted participant-initiated withdrawals from the trust.

Investment contracts provide for a variable crediting rate, which typically resets at least quarterly, and the issuer of the wrap contract provides assurance that future adjustments to the crediting rate cannot result in a crediting rate less than zero. The crediting rate is based, in part,

NOTES TO FINANCIAL STATEMENTS
Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

5 **Benefit Responsive Contract, Continued**

	2007		
	Investments at Fair Value	Adjustment to Contract Value	Investments at Contract Value
Guaranteed Investment Contracts	\$ 979,766	\$ (16,390)	\$ 963,376
Synthetic Investment Contracts	3,907,973	(14,339)	3,893,634
Short-term Investments	311,379		311,379
Wrapper Contracts	—	—	—
Total	<u>\$ 5,199,118</u>	<u>\$ (30,729)</u>	<u>\$ 5,168,389</u>

The average yield based on actual earnings of the contract was 4.23% and 4.89%, as of December 31, 2008 and 2007, respectively. The crediting interest rate was 4.82% and 4.99% as of December 31, 2008 and 2007, respectively.

6 **Party-in-Interest Transactions**

Certain Plan investments are shares of mutual funds managed by T. Rowe Price, the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Usual and customary fees were paid by the Plan for the investment management services.

The Plan purchased shares etcfy .y e



NOTES TO FINANCIAL STATEMENTS

Northshore Mining Company and Silver Bay Power Company
Retirement Savings Plan

9 **Subsequent Accounting Pronouncements**

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference to the Registration Statement (Form S-8 No. 033-56661) pertaining to the **Northshore Mining Company & Silver Bay**, ~~2012~~ **2011**