SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2002
OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to _______________.
Commission File Number: 1-8944

CLEVELAND-CLIFFS INC

(Exact name of registrant as specified in its charter)

Ohio (State or other jurisdiction of incorporation)	34-1464672 (I.R.S. Employer Identification No.)

1100 Superior Avenue, Cleveland, Ohio 44114-2589
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (216) 694-5700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES _X_ NO___

As of April 19, 2002, there were 10,180,680 Common Shares (par value $1.00 per share) outstanding.

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PART I — FINANCIAL INFORMATION

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS

	(In Millions, Except Per Share Amounts) Three Months Ended March 31	
	2002	2001
REVENUES		
Product sales and services		
Iron ore	$ 47.9	$ 20.3
Freight and minority interest	7.1	.6
Total Product Sales and Services	55.0	20.9
Royalties and management fees	1.3	7.9
Total Operating Revenues	56.3	28.8
Interest income	1.1	1.1
Other income	3.3	2.4
Total Revenues	60.7	32.3
COSTS AND EXPENSES		
Cost of goods sold and operating expenses — iron ore	70.4	35.1
Administrative, selling and general expenses	4.0	2.8
Idle expense and pre-operating loss of Cliffs and Associates Limited	3.3	5.8
Interest expense	1.9	2.1
Other expenses	1.3	2.5
Total Costs and Expenses	80.9	48.3
LOSS BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(20.2)	(16.0)
INCOME TAXES (CREDIT)	(6.7)	(5.2)
LOSS BEFORE MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(13.5)	(10.8)
MINORITY INTEREST	.7	1.2
LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(12.8)	(9.6)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE — NET OF $5.0 TAX		9.3
NET LOSS	$ (12.8)	$ (.3)
NET LOSS PER COMMON SHARE		
Basic and Diluted		
Before cumulative effect of accounting change	$ (1.27)	$ (.95)
Cumulative effect of accounting change — net of tax		.92
Net loss	$ (1.27)	$ (.03)
AVERAGE NUMBER OF SHARES (IN THOUSANDS)		
Basic	10,165	10,104
Diluted	10,165	10,104

See notes to consolidated financial statements.

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CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

	(In Millions) March 31 2002	December 31 2001
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 142.1	$ 183.8
Trade accounts receivable — net	9.9	19.9
Receivables from associated companies	2.2	12.1
Inventories		
Product	126.3	84.8
Supplies and other	49.8	29.0
Deferred and refundable income taxes	28.1	20.8
Other	20.4	12.3
TOTAL CURRENT ASSETS	378.8	362.7
PROPERTIES	498.1	358.0
Allowances for depreciation and depletion	(101.5)	(97.7)
TOTAL PROPERTIES	396.6	260.3
INVESTMENTS IN ASSOCIATED COMPANIES	46.3	135.0
OTHER ASSETS		
Prepaid pensions	43.2	46.1
Miscellaneous	24.3	20.9
TOTAL OTHER ASSETS	67.5	67.0
TOTAL ASSETS	$ 889.2	$ 825.0
LIABILITIES AND SHAREHOLDERS’ EQUITY		
CURRENT LIABILITIES		
Borrowings under revolving credit facility	$ 100.0	$ 100.0
Environmental and closure obligations	8.9	9.1
Accounts payable and accrued expenses	105.9	80.7
TOTAL CURRENT LIABILITIES	214.8	189.8
LONG-TERM DEBT	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	91.9	69.2
ENVIRONMENTAL AND CLOSURE	59.4	59.2
OTHER LIABILITIES	35.9	36.7
	472.0	424.9
MINORITY INTEREST		
Cliffs and Associates Limited	25.8	25.9
Tilden Mining Company L.C	28.8	
SHAREHOLDERS’ EQUITY		
Preferred Stock Class A - 500,000 shares authorized and unissued Class B - 4,000,000 shares authorized and unissued Common Shares — par value $1 a share Authorized - 28,000,000 shares; Issued - 16,827,941 shares	16.8	16.8
Capital in excess of par value of shares	70.0	66.2
Retained income	463.9	476.7
Accumulated other comprehensive loss, net of tax	(1.0)	(1.0)
Cost of 6,646,824 Common Shares in treasury (2001 - 6,685,988 shares)	(182.3)	(183.3)
Unearned compensation	(4.8)	(1.2)
TOTAL SHAREHOLDERS’ EQUITY	362.6	374.2
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	$ 889.2	$ 825.0

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS

	(In Millions, Brackets Indicate Cash Decrease) Three Months Ended March 31	
	2002	2001
OPERATING ACTIVITIES		
Net loss	$ (12.8)	$ (.3)
Depreciation and amortization:		
Consolidated	5.6	3.8
Share of associated companies	2.1	3.1
Deferred income taxes	2.8	(1.5)
Minority interest in Cliffs and Associates Limited	(.7)	(1.2)
Gain on sale of assets	(2.5)	(1.4)
Cumulative effect of accounting change — net of $5.0 tax		(9.3)
Other	(3.3)	1.1
Total before changes in operating assets and liabilities	(8.8)	(5.7)
Changes in operating assets and liabilities	(25.2)	(31.2)
Net cash used by operating activities	(34.0)	(36.9)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated		
Cliffs and Associates Limited		(5.4)
Other	(4.2)	(2.1)
Share of associated companies	(.6)	(.3)
Investment in power related joint venture	(6.0)	
Proceeds from sale of assets	2.5	1.5
Other		(0.4)
Net cash used by investing activities	(8.3)	(6.7)
FINANCING ACTIVITIES		
Borrowings under revolving credit facility		65.0
Contributions by minority shareholder in Cliffs and Associates Limited	.6	5.2
Dividends		(1.0)
Net cash from financing activities	.6	69.2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(41.7)	25.6
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	183.8	29.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 142.1	$ 55.5

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2002

NOTE A — BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the financial statement footnotes and other information in the Company's 2001 Annual Report on Form 10-K. In management's opinion, the quarterly unaudited consolidated financial statements present fairly the Company's financial position, results of operations and cash flows in accordance with generally accepted accounting principles.

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

References to the "Company" mean Cleveland-Cliffs Inc and consolidated subsidiaries. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries, including the Tilden Mining Company L.C. ("Tilden") since January 31, 2002 when the Company increased its ownership from 40 percent to 85 percent. Quarterly results historically are not representative of annual results due to seasonal and other factors. Certain prior year amounts have been reclassified to conform to current year classifications.

NOTE B — ACCOUNTING AND DISCLOSURE CHANGES

Effective January 1, 2001, the Company changed its method of accounting for investment gains and losses on pension assets for the calculation of net periodic pension cost from a method that deferred and amortized realized and unrealized gains and losses over five years for most pension plans to a method that recognizes the changes immediately. The cumulative effect of this accounting change related to prior years was a one-time non-cash credit of $9.3 million ($14.3 million pre-tax) recognized as of January 1, 2001. The pro forma effect of this change, as if it had been made for the first quarter ended March 31, 2001, would have been to increase net income by approximately $.4 million, or $.04 per share.

In July 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS 142 requires testing of goodwill and intangible assets with indefinite lives for impairment rather than amortizing them. The adoption of this statement in the first quarter of 2002 did not have a significant impact on the Company's financial results.

In July 2001, the FASB issued SFAS No. 143, “Accounting for Asset Retirement Obligations,” which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the related asset retirement costs. The statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred and capitalized as part of the carrying amount of the long-lived asset. The statement is effective for fiscal years beginning after June 15, 2002. The Company has not yet determined the effect on its consolidated financial statements of adopting this standard.

In October 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” which supersedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of.” This statement provides a single accounting model for long-lived assets to be disposed of. The Company’s adoption of this statement in the first quarter of 2002 did not have a significant impact on its asset impairment policy or financial results.

NOTE C — REVENUE RECOGNITION

Revenue is recognized on sales of products when title has transferred, and on services when performed. Revenue from product sales and services includes reimbursement for freight charges ($1.1 million — 2002; $.6 million — 2001) paid on behalf of customers and cost reimbursement of $6.0 million from January 31, 2002 from a minority interest partner for their contractual share of mine costs.

Royalty and management fee revenue is recognized on production. Royalties and fees paid by the Company as a partner in the mines, which were previously reported in both revenues and cost of goods sold and operating expenses, have been eliminated. As a result, first quarter 2001 revenues and cost of goods sold have been reduced by $.9 million. There was no impact on financial results.

NOTE D — ENVIRONMENTAL AND CLOSURE OBLIGATION

At March 31, 2002, the Company had an environmental and closure liability, including its share of ventures, of $70.1 million, of which $8.9 million was classified as current. The liability includes obligations for wholly owned active and closed mining operations, and other sites, including former operations, for which obligations are based on the Company’s estimated cost of investigation, remediation and mine closure. Of the $70.1 million, $46.1 million represents responsibilities assumed in the October 2001 LTVSMC transaction. The liability also includes the Company’s environmental obligations related to two State and Clean Water Act sites where the Company is named as a potentially responsible party, the Kipling site in Michigan, and the Rio Tinto mine site in Nevada, which sites are independent of the Company’s iron mining operations. Significant site cleanup activities have taken place at Rio Tinto. Obligations are based on Company estimates and engineering studies prepared by outside consultants engaged by the potentially responsible parties. The Company continues to evaluate the recommendations of the studies and other means for site cleanup.

NOTE E — SEGMENT REPORTING

The Company has two reportable segments offering different iron products and services to the steel industry. Iron Ore is the Company's dominant segment. The Ferrous Metallics segment consists of the hot briquetted iron ("HBI") project in Trinidad and Tobago and other development activities. "Other" includes non-reportable segments, and unallocated corporate administrative expense and other income and expense.

	(In Millions)				
	Iron Ore	Ferrous Metallics	Segments Total	Other	Consolidated Total
First Quarter 2002					
Sales and services	$ 55.0	$	$ 55.0	$	$ 55.0
Royalties and management fees	1.3		1.3		1.3
Total operating revenues	56.3		56.3		56.3
Loss before income taxes and minority interest	(11.8)	(4.1)	(15.9)	(4.3)	(20.2)
Investments in associated companies	46.3		46.3		46.3
Other identifiable assets	676.9	132.8	809.7	33.2	842.9
Total assets	723.2	132.8	856.0	33.2	889.2
First Quarter 2001					
Sales and services	$ 20.9	$	$ 20.9	$	$ 20.9
Royalties and management fees	7.9		7.9		7.9
Total operating revenues	28.8		28.8		28.8
Loss before income taxes, minority interest and cumulative effect adjustment	(5.4)	(6.0)	(11.4)	(4.6)	(16.0)
Investments in associated companies	135.2		135.2		135.2
Other identifiable assets	470.5	136.6	607.1	23.6	630.7
Total assets	605.7	136.6	742.3	23.6	765.9

NOTE F — INCOME TAXES

In March 2002, the "Job Creation and Worker Assistance Act of 2002" ("Act") was enacted by Congress. Provisions of the Act provide for the carryback of net operating losses for tax years 2002 and 2001 for up to five years. Previously, the limitation was two years. As a result, the Company was able to utilize its tax loss generated in 2001 and reduce loss carryforwards to approximately $50 million ($95 million at December 31, 2001) and associated deferred tax assets to about $18 million ($33 million at December 31, 2001). Partially offsetting was an increase in alternative minimum tax credit carryforwards to approximately $10 million ($2 million at December 31, 2001). The Company received a cash refund in the second quarter of 2002 of $11.6 million, an increase of $7.7 million compared to the year-end expectation. There was no impact on earnings as a result of this change.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPARISON OF FIRST QUARTER — 2002 AND 2001

The net loss for the first quarter of 2002 was $12.8 million, or $1.27 per share (all per share earnings are "diluted earnings per share" unless stated otherwise). In the first quarter of 2001, the Company had a loss of $9.6 million, or $.95 per share, before recognizing a $9.3 million after-tax credit relating to the cumulative effect of an accounting change. The net loss in the first quarter of 2001 was $.3 million, or $.03 per share. Following is a summary of results:

	(In Millions, Except Per Share)	
	2002	2001
Loss before cumulative effect of accounting change:		
Amount	$ (12.8)	$ (9.6)
Per share	(1.27)	(.95)
Cumulative effect of accounting change:		
Amount	—	9.3
Per share	—	.92
Net loss:		
Amount	(12.8)	(.3)
Per share	(1.27)	(.03)

The pre-tax loss for the first quarter 2002 was $20.2 million, an earnings decrease of $4.2 million from first quarter 2001. The decrease in earnings was primarily due to:

- Pellet sales margin was a loss of $15.4 million in 2002 compared to a loss of $14.2 million in 2001, summarized as follows:

	(In Millions)			
			Increase (Decrease)	
	2002	2001	Amount	Percent
Sales (tons)	1.3	.5	.8	160%
Revenue from product sales and services*	$ 47.9	$ 20.9	$27.0	129%
Cost of goods sold and operating expenses*	63.3	35.1	28.2	80%
Sales margin (loss)	$(15.4)	$(14.2)	$ (1.2)	N/M

* Excludes revenues and cost of goods sold and operating expenses related to freight and minority interest.

Higher cost of sales was partially offset by a modest increase in average price realization. Included in 2002 cost of goods sold and operating expenses was approximately $14 million of fixed costs related to production curtailments versus $4 million in 2001.

- Royalties and management fees from partners decreased $6.6 million from last year mainly due to the suspension of operations at Empire Mine in 2002, and the Company’s increased ownership in Tilden Mine in 2002. Also, royalties and fees paid by the Company as a partner in the mines, which were previously reported in both revenues and cost of goods sold and operating expenses, have been eliminated. As a result, first quarter 2001 revenues from royalties and management fees and cost of goods sold have been restated by a $.9 million reduction. This had no effect on earnings.

- The loss from CAL of $3.3 million, or $2.6 million net of minority interest, in the first three months of 2002 compared to a loss of $5.8 million, or $4.6 million net of minority interest, in the first three months of 2001. The $2.0 million improvement for 2002 reflects cost reduction efforts including an approximate 30 percent reduction in employees and fixed cost reductions from critical suppliers.

- Administrative, selling and general expense was $1.2 million higher in the first quarter of 2002 compared to the same period in 2001 reflecting non-recurring reductions in certain executive compensation plans in 2001.

- Other income was $.9 million higher in 2002 principally due to higher sales of non-strategic assets.

- Other expenses in 2002 were $1.2 million lower than 2001. Included in first quarter 2001 results was a $1.9 million pre-tax charge for restructuring activities.

- Interest income was unchanged from 2001, while interest expense was lower due to lower interest rates partially offset by increased borrowings under the revolving credit facility.

CASH FLOW AND LIQUIDITY

At March 31, 2002, the Company had total liquidity (cash and bank credit availability) of $142.1 million compared to $90.5 million at March 31, 2001. Since December 31, 2001, cash and cash equivalents decreased $41.7 million, primarily due to the seasonal increase in product iron ore pellet inventories, $41.5 million, cash deficit from operations before changes in operating assets and liabilities, $8.8 million, investment in a power-related joint venture, $6.0 million, and capital expenditures, $4.8 million, partially offset by lower receivables, $8.6 million.

At the end of March, there were 4.2 million tons of pellets in inventory at a cost of $126 million, an increase of 1.2 million tons, or $42 million, from December 31, 2001, reflecting normal seasonal patterns. Pellet inventory at March 31, 2001 was 5.7 million tons, or $161 million.

IRON ORE

Iron ore pellet production at the Company’s managed mines in the first quarter of 2002 was 4.6 million tons compared to 6.9 million tons in 2001. The Company’s share of 2002 production of 2.5 million tons in the first quarter was .3 million tons lower than first quarter of 2001. The 2.3 million ton decrease in total production was principally due to production curtailment at the Empire Mine. The Empire Mine, which was idled in the fourth quarter of 2001 and the entire first quarter of 2002, resumed production on April 8. The Hibbing Mine was idle for four weeks in the first quarter 2002 and six weeks in the first quarter of 2001. The Northshore Mine curtailed production in both years by only operating its two larger pelletizing lines. Current year production at the Wabush Mine is behind last year due to a lower planned operating rate and production problems attributable to severe weather conditions in January. Production for the full year is expected to be about 27 million tons, with the Company’s share to be about 14 million tons. Production schedules at all mines remain subject to change.

On January 31, 2002, the Company completed the previously announced acquisition of a 45 percent ownership interest in the Tilden Mine from Algoma Steel Inc. (“Algoma”) for the assumption of Tilden liabilities of approximately $14 million. The acquisition increased the Company’s ownership in the mine to 85 percent, and annual production capacity by 3.5 million tons to 6.6 million tons. Concurrently, the Company and Algoma have also agreed to terms for a pellet sales agreement that makes the Company the sole supplier of iron ore pellets purchased by Algoma for a 15-year period. Sales to Algoma are expected to approach 3 million tons in 2002.

On March 5, 2002, a subsidiary of LTV Corporation (“LTV”) rejected its 25 percent interest in the Empire Mine. Previously, LTV filed for protection under Chapter 11 of the U.S. Bankruptcy Code on December 29, 2000, and in November, 2001, discontinued meeting its Empire obligations. As a result, Empire operations were idled in mid-November while the remaining partners (Ispat Inland Inc., 40 percent, and the Company, 35 percent) assessed their alternatives. On April 8, 2002, production was resumed on a reduced operating plan for the year 2002, with Ispat Inland Inc. and the Company funding fixed obligations in proportion to their ownership.

On April 12, 2002, the Company announced that it had signed a long-term agreement to supply iron ore pellets to International Steel Group Inc. (“ISG”), which had purchased the principal steel making and finishing assets of LTV. Under terms of the agreement, the Company will be the sole supplier of pellets purchased by ISG for a 15-year period beginning in 2002. The Company also announced that it has invested $13 million in ISG common stock, representing approximately 7 percent of ISG’s equity. Pellet sales to ISG in 2002 are expected to be between 1.5 and 2 million tons, dependent on ISG’s actual production scale-up. Sales over the remainder of the contract term will depend on ISG’s pellet requirements. ISG has announced that it plans to produce over 4.5 million tons of flat rolled steel annually. At this production level, the annual pellet requirements are expected to be about 5 million tons.

Pellet sales in the first quarter of 2002 were 1.3 million tons compared to .5 million tons in 2001. While there continues to be uncertainty regarding the pellet requirements of customers, sales volume for 2002 is currently forecasted to be 13 million tons.

The Company's share of capital expenditures at the five mining ventures and supporting operations is expected to approximate $20 million in 2002, with $4.8 million having occurred through March 31, 2002.

FERROUS METALLICS

CAL operations remained idle during the first quarter of 2002 due to weak market conditions. The Company's share of idle costs was $2.6 million on a pre-tax basis. Holding costs have been reduced while protecting the assets and retaining a highly skilled core workforce. In the first quarter of 2001, the Company's share of CAL's pre-operating costs was $4.6 million on a pre-tax basis.

The market for ferrous metallics products continues to be weak, but demand and pricing are expected to improve as the global steel business improves. The Company intends to restart the HBI plant in Trinidad and Tobago when a sustained improvement in the market is evident.

The primary business risk faced by the Company in ferrous metallics is the ability of the Trinidad facility to produce and sustain a quantity of commercial grade HBI at a cost level necessary to achieve profitable operations given the adverse market for HBI. The Company has determined its CAL investment at March 31, 2002 is not impaired based on expected resumption of operations and future cash flows.

On April 4, the Company signed an agreement to participate in Phase II of the Mesabi Nugget Project. Other participants include Kobe Steel, Ltd., Steel Dynamics, Inc., Ferrometrics, Inc. and the State of Minnesota. A $24 million pilot plant will be constructed at the Company's Northshore Mine to test and develop Kobe Steel's technology for converting iron ore into nearly pure iron in nugget form. The Company's contribution to the project through the pilot plant testing and development phase, will be $4.5 million. If the pilot plant is successful, construction of a commercial size facility capable of producing 300,000 tons annually could start as early as 2004.

CAPITALIZATION

Long-term debt of the Company consists of $70.0 million of senior unsecured notes, which bear a fixed interest rate of 7.0 percent and are scheduled to be repaid on December 15, 2005. The Company has $100 million outstanding of its revolving credit agreement which expires on May 31, 2003. The loan interest rate on the revolving credit agreement is based on the LIBOR rate plus a premium and is fixed through the middle of June 2002 at an average rate of 2.4 percent. The note and revolving credit agreements require the Company to meet certain covenants related to net worth, leverage and other provisions. The Company is in compliance with the debt covenants, exceeding the requirements by more than $8 million at March 31, 2002 (in excess of $17 million at December 31, 2001) for the most restrictive covenant (net worth) in the revolving credit facility. Continued adverse operating performance in 2002 could result in the Company being unable to comply with the net worth covenant in the revolving credit facility. The Company is currently considering refinancing alternatives, which would address restrictive covenants.

The carrying amount and fair value of the Company's long-term debt and revolving credit facility at March 31, 2002 are as follows:

	(In Millions)	
	Carrying Amount	Fair Value
Long-term debt	$ 70.0	$64.2
Revolving credit facility	100.0	99.3

The fair value of the long-term debt and revolving credit facility was determined based on a discounted cash flow analysis and estimated current borrowing rates.

Following is a summary of common shares outstanding:

	2002	2001	2000
March 31	10,180,849	10,143,272	10,714,796
June 30		10,148,939	10,502,367
September 30		10,143,509	10,292,356
December 31		10,141,953	10,119,402

STRATEGIC INVESTMENTS

The Company is pursuing investment opportunities to broaden its scope as a supplier of iron products to the steel industry. In the normal course of business, the Company examines opportunities to strengthen its position by evaluating various investment opportunities consistent with its strategy. In the event of any future acquisitions or joint venture opportunities, the Company may consider using available liquidity, incurring additional indebtedness, project financing, or other sources of funding to make investments.

FORWARD-LOOKING STATEMENTS

The preceding discussion and analysis of the Company's operations, financial performance and results, as well as material included elsewhere in this report, includes statements not limited to historical facts. Such statements are "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995) that are subject to risks and uncertainties that could cause future results to differ materially from expected results. Such statements are based on management's beliefs and assumptions made on information currently available to it. Factors that could cause the

Company's actual results to be materially different from the Company's expectations include the following:

- Displacement of iron production by North American integrated steel producers due to electric furnace production or imports of semi-finished steel or pig iron;
- Loss of major iron ore sales contracts or failure of customers to perform under existing contracts;
- Changes in the financial condition of the Company's partners and/or customers;
- Rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U.S. Bankruptcy Code or similar statutes of other countries;
- Substantial changes in imports of steel, iron ore, or ferrous metallic products;
- Lower domestic demand for steel and iron ore;
- Unanticipated changes in the market value of steel, iron ore or ferrous metallics;
- Premature closing or impairment of operations due to changes in product demand, production costs, ore characteristics or availability, or owner actions;
- Major equipment failure, availability, and magnitude and duration of repairs;
- Unanticipated geological conditions or ore processing changes;
- Process difficulties, including the failure of new technology to perform as anticipated;
- Availability and cost of the key components of production (e.g., labor, electric power, fuel, water);
- Weather conditions (e.g., extreme winter weather, availability of process water due to drought);
- Changes in financial markets, such as interest rates and availability of credit;
- Changes in laws, regulations or enforcement practices governing environmental closure and safety obligations; and,
- Changes in domestic or international economic and political conditions.

The Company is under no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART II — OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds

(a) On March 15, 2002 and March 28, 2002, pursuant to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (“VNQDC Plan”), the Company sold 21 shares and 16 shares, respectively, of common stock, par value $1.00 per share, of Cleveland-Cliffs Inc (“Common Shares”) for an aggregate consideration of $770.00 to the Trustee of the Trust maintained under the VNQDC Plan. These sales were made in reliance on Rule 506 of Regulation D under the Securities Act of 1933 pursuant to an election made by one managerial employee under the VNQDC Plan.

(b) On January 7, 2002, the Company determined to pay the annual bonuses earned by participants under the Company’s Management Performance Incentive Plan (“Plan”) for services rendered during 2001 in the form of Common Shares (“Stock Bonus Awards”). The Stock Bonus Awards were not required to be registered under the Securities Act of 1933 because they were issued for prior services without additional consideration in a transaction not involving a sale for value within the meaning of Section 2(3) of that Act. The Company’s closing stock price of $17.00 per share on February 8, 2002, the date of payment of the Stock Bonus Awards, was used to determine the value of the Stock Bonus Awards. After giving effect to required tax withholding, a total of 62 participants under the Plan received 29,085 Common Shares having an aggregate value of $494,445.

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits — Refer to Exhibit Index on page 17.

(b) During the quarter for which this 10-Q Report is filed, the Company filed Current Reports on Form 8-K, dated January 8, January 30 and March 7, 2002, covering information reported under **Item 9. Regulation FD Disclosure**. The Company also filed Current Reports on Form 8-K dated April 4, April 12 and April 15, 2002, covering information reported under **Item 9. Regulation FD Disclosure**. There were no financial statements filed as part of the Current Reports on Form 8-K.

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, thereunto duly authorized.

CLEVELAND-CLIFFS INC

Date April 25, 2002 By /s/ C. B. Bezik

C. B. Bezik
Senior Vice President-Finance and
Principal Financial Officer

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EXHIBIT INDEX

Exhibit Number	Exhibit	
10(a)	*Pellet Sale and Purchase Agreement, dated and effective as of January 31, 2002, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, and Algoma Steel Inc.	Filed Herewith
99(a)	Cleveland-Cliffs Inc News Release published on April 24, 2002, with respect to 2002 first quarter results	Filed Herewith

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

Exhibit 10(a)

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

PELLET SALE AND PURCHASE AGREEMENT

THIS AGREEMENT (this "AGREEMENT") is entered into, dated and effective as of January 31, 2002, by and among THE CLEVELAND-CLIFFS IRON COMPANY, an Ohio corporation ("CCIC"), CLIFFS MINING COMPANY, a Delaware corporation ("CMC") NORTHSHORE MINING COMPANY, a Delaware corporation ("NORTHSHORE"; CCIC, CMC and Northshore, collectively, "CLIFFS") and ALGOMA STEEL INC., an Ontario corporation ("ALGOMA"). Capitalized terms used herein and not defined in context have the respective meanings given to them or cross-referenced in Section 1.

RECITALS

WHEREAS, concurrently with the execution and delivery of this Agreement, Algoma, Cannelton Iron Ore Company ("CANNELTON"), CCIC and Cliffs TIOP, Inc. ("TIOP") are entering into that Purchase and Sale Agreement ("PSA") pursuant to which TIOP is to acquire Cannelton's 45% membership interest in Tilden Mining Company L.C. ("TILDEN") (the date such acquisition occurs, the "CLOSING DATE"); and

WHEREAS, Algoma desires to purchase from Cliffs, and Cliffs desires to sell to Algoma, a tonnage of Cliffs Pellets equal to Algoma's Annual Requirements from and after the Closing Date;

AGREEMENTS

NOW, THEREFORE, in consideration of the premises, their mutual covenants and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

(a) "BUSINESS DAY" means any day on which banks in Cleveland, Ohio or Toronto, Ontario are not permitted or required by law to be closed for business.

(b) "COMPOSITE INDEX" means, for any year, the sum of:

(i) [* * * *] multiplied by a fraction, the numerator of which is the [* * * *] for such year, and the denominator of which is the [* * * *]; plus

(ii) [* * * *] multiplied by a fraction, the numerator of which is the [* * * *] for such year, and the denominator of which is the [* * * *]; plus

(iii) [* * * *] multiplied by a fraction, the numerator of which is the [* * * *] for such year, and the denominator of which is the [* * * *].

For each year beginning in 2004, the Composite Index, (w) shall be initially determined based on Cliffs' good faith reasonable estimate (which shall take into account all data that is final for the year in determination) given to Algoma not later than December 15 of the prior year, (x) shall be

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

updated based on Cliffs' good faith estimate (which shall take into account all data that is final for the year in determination) given to Algoma not later than June 15 of such year, (y) shall be updated again based on Cliffs' good faith estimate (which shall take into account all data that is final for the year in determination) given to Algoma not later than January 15 of the following year, and (z) shall be finally determined and certified by Cliffs on June 15 of the following year. Should Algoma disagree with Cliffs' estimate or final determination, Algoma may require that such estimate or final determination be determined by arbitration pursuant to Section 15.

(c) "[* * * *]" means, for any year, [* * * *] for such year.

(d) "EXPECTED IRON CONTENT" means at [* * * *] (i) for Tilden Mag Flux Pellets, [* * * *], (ii) for Tilden Hem Flux Pellets, [* * * *], (iii) for

Empire Royal Pellets, [* * * *], and (iv) for any kind of Other Cliffs Pellets (x) in the first year they are provided by Cliffs, the percentage specified by Cliffs in good faith, and (y) in all other years, the actual iron percentage for such kind of Other Cliffs Pellets for the prior year.

(e) The words "IRON UNIT", as used herein, shall mean one percent (1%) of contained iron, and all prices per iron unit shall be expressed on an iron unit per ton basis.

(f) The word "PELLETS", as used herein, shall mean iron-bearing products obtained by the pelletizing of iron ore or iron ore concentrates, suitable for making iron in blast furnaces.

(g) The word "PERSON", as used herein, means any natural person, or any corporation, limited liability company, limited or general partnership, trust, association or other legal entity.

(h) The word "TON", as used herein, shall mean a gross ton of 2,240 pounds avoirdupois natural weight.

(i) "[* * * *]" means, at any time, a price per iron unit equal to the sum of:

(i) [* * * *] multiplied by the [* * * *]; plus -

(ii) [* * * *] multiplied by the [* * * *].

Schedule 1(i) illustrates calculation of the [* * * *] Price for 2001, which is [* * * *] per iron unit.

(j) The word "YEAR", as used herein, shall mean a calendar year commencing on January 1 and ending December 31.

(k) If any of the information required to calculate the Composite Index, the [* * * *] or the [* * * *] (either because a particular product ceases to be available, or because information is no longer [* * * *] the parties will negotiate in good faith to revise the definition of such term to one based on then-published information, and any dispute will be resolved pursuant to Section 15.

(l) The following terms are defined on the pages cross-referenced below:

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2. SALE AND PURCHASE/VOLUME.

(a) Subject to the other provisions of this Section 2, for each of the 15 years 2002 through 2016 inclusive, Cliffs shall sell and deliver to Algoma, and Algoma shall purchase and receive from Cliffs and pay Cliffs for, a tonnage of Cliffs Pellets equal to 100% of Algoma's total pellet tonnage requirements, adjusted for inventory positions, ("ANNUAL REQUIREMENTS") for such year required for use at its facility at Sault Ste. Marie, Ontario (the "SAULT STE. MARIE PLANT"); provided, however, that in no year shall Algoma purchase and receive from Cliffs, and pay Cliffs for, [* * * *] tons of Cliffs Pellets.

(b) If Algoma's Annual Requirements, as initially fixed pursuant to Section 5(a) or as adjusted pursuant to Section 5(b), in any year exceeds [* * * *] tons, Cliffs shall have the right, but not the obligation, to sell and deliver any pellets in excess of [* * * *] tons. Such right may be exercised as provided in Section 5.

(c) Because the Closing Date will occur after January 1, 2002, (i) Algoma shall not be required to purchase any Cliffs Pellets hereunder unless and until the Closing Date occurs, (ii) Cliffs shall not be required to sell any Cliffs Pellets hereunder unless and until the Closing Date occurs, and (iii) in the year 2002 Cliffs shall sell and deliver to Algoma, and Algoma shall purchase and receive from Cliffs and pay Cliffs for, a tonnage of pellets equal to Algoma's Annual Requirements, less Algoma's share of pellets delivered pursuant to the membership interest of Cannelton in Tilden between January 1, 2002 and the Closing Date.

3. SOURCING.

(a) Cliffs shall initially supply Algoma with pellets produced at the Tilden iron ore pellet plant ("TILDEN MAG FLUX PELLETS" and "TILDEN HEM FLUX PELLETS", as the case may be; collectively "TILDEN PELLETS") in National Mine, Michigan (the "TILDEN PLANT") and/or pellets produced at the Empire Iron Mining Partnership iron ore pellet plant ("EMPIRE ROYAL PELLETS;" collectively with the Tilden Pellets, "BASIC CLIFFS PELLETS") located in Palmer, Michigan (the "EMPIRE PLANT").

(b) Cliffs may change pellet sourcing from Basic Cliffs Pellets to pellets from other sources ("OTHER CLIFFS PELLETS"), including, without limitation, those produced at the Hibbing Taconite Company Joint Venture iron ore pellet plant ("HIBBING PELLETS") in Hibbing, Minnesota (the "HIBBING PLANT") and those produced at the Northshore iron ore pellet plant ("NORTHSHORE PELLETS") in Silver Bay, Minnesota (the "NORTHSHORE PLANT;" Other Cliffs Pellets together with Basic Cliffs Pellets, are defined as "CLIFFS Pellets"). If Cliffs desires to provide Algoma with Other Cliffs Pellets, Cliffs shall give Algoma not less than three months prior notice, and then may make such change provided that (i) Algoma's cost of handling pellets, including the movement of pellets to the stock house, is not increased, or, if Algoma's costs of handling are increased, Cliffs shall adjust the price of Other Cliffs Pellets so that the additional handling costs are mitigated so as to fully offset the increased handling costs, and (ii) Algoma has had a reasonable opportunity to purge its stockpile of conflicting grades of iron ore.

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4. QUALITY.

(a) As measured pursuant to Section 4(c), if solely Basic Cliffs

Pellets are supplied to Algoma hereunder, they will conform in all material respects with the AIM pellet specifications and requirements as set forth in EXHIBIT A-1. As measured pursuant to Section 4(c), if any Other Cliffs Pellets are supplied to Algoma hereunder, then all Cliffs Pellets supplied to Algoma hereunder, will conform in all material respects with the AIM pellet specifications and requirements as set forth in EXHIBIT A-2.

(b) As measured pursuant to Section 4(c), if solely Basic Cliffs Pellets are supplied hereunder they will not [* * * *], in either case as specified on EXHIBIT A-1. As measured pursuant to Section 4(c), if any Other Cliffs Pellets are supplied hereunder, then all Cliffs Pellets supplied hereunder shall not [* * * *], in either case as specified on EXHIBIT A-2.

(c) In each case, consistency with the AIM specifications, [* * * *] will be determined on a quarterly basis (1/1 - 3/31; 4/1 - 6/30; 7/1 - 9/30; 10/1 - 12/31) based on the AIM specifications, [* * * *] of the kinds of Cliffs Pellets shipped for such quarter, weighted according to the percentage of each kind of Cliffs Pellets to be consumed in such quarter pursuant to Algoma's blast furnace plan.

(d) Cliffs will report the characteristics of Cliffs Pellets to Algoma on the following basis:

(i) On the volume of Cliffs Pellets in a vessel or train load for direct rail shipments, as soon as practicably available and, in particular, for direct rail shipments, within 24 hours of shipment from the mine:

CHEMICAL: Fe, SiO_2, Al_2O_3, CaO, MgO, Mn, P, CaO/SiO_2; and

PHYSICAL: % + 1/2", % - 1/2" x + 3/8", % - 1/4 %, % - 28 mesh.

MOISTURE

(ii) On the volume of Cliffs Pellets actually shipped to Algoma in a calendar month: Compression (LBS).

(iii) On the volume of Cliffs Pellets actually shipped to Algoma in a calendar quarter (1/1 - 3/31; 4/1 - 6/30; 7/1 - 9/30; 10/1 - 12/31):

CHEMICAL: S, TiO_2, Na_2O, K_2O;

METALLURGICAL: Reducibility (R40), LTB (% + 1/4"), Swelling, Softening Temperature.

(e) For each source of Cliffs Pellets, the parties shall agree upon a defined set of characteristics or specifications for Cliffs Pellets from that source ("SOURCE REQUIREMENTS"). Cliffs shall ensure that the characteristics of each train load or vessel conforms to its applicable

Source Requirements. Attached as EXHIBIT A-3 are the Source Requirements for the types of Cliffs Pellets set out in Section 3.

(f) [* * * *]. If an agreement is not reached within 60 days, then Cliffs may (i) agree to continue to supply Algoma the Cliffs Pellets at the current contract price [* * * *], or (ii) terminate this agreement 300 days after the expiry of the 60-day period. In the event Cliffs notifies Algoma of Cliffs' option to terminate this agreement, Cliffs shall retain the right during the 300 day period to supply Algoma's future Annual Requirements at the revised [* * * *] at a price that would be [* * * *] (on a delivered cost basis) the [* * * *] which Algoma receives during such 300 day period (provided that following receipt of Algoma's notice to Cliffs of the [* * * *], Cliffs shall notify Algoma within 45 days as to Cliffs' option to exercise its right to supply Algoma's future Annual Requirements); and if Cliffs exercises such right, then this Agreement shall not terminate. In the event that new prices are determined as a result of [* * * *], then the Base Prices per Iron Unit shall be adjusted so that, after taking into account Section 6(b), Section 6 can be used to set prices in future years. Any dispute arising out of this Section 4(f) shall be resolved by arbitration as provided in Section 15.

5. NOTIFICATION AND NOMINATION.

(a) Annually on or before November 1, Algoma shall notify Cliffs of Algoma's good faith estimate of its preliminary Annual Requirements for the upcoming year. SCHEDULE 5(a) sets forth such information for the year 2002.

(b) Algoma shall have the right to modify, based upon Algoma's good faith estimate, its Annual Requirements for any year:

(i) by notice to Cliffs sent not later than January 10 of such year, Algoma may decrease or, subject to Section 5(c), increase its Annual Requirements by up to 10% of the original Annual Requirements for such year; and/or

(ii) by notice to Cliffs sent not later than July 10 of such year, Algoma may decrease or, subject to Section 5(c), increase its Annual Requirements (as previously adjusted pursuant to Section 5(b)(i), if applicable) by up to 5%; and/or

(iii) in unforeseen circumstances where Algoma's need for pellets unexpectedly increases, Algoma may, on 30 days notice to Cliffs, amend its Annual Requirements to increase them beyond the parameters provided for in (i) and (ii) above.

(c) If (i) Algoma's Annual Requirements (as forecast pursuant to Section 5(a) or as amended pursuant to Section 5(b)) is for an amount in excess of [* * * *] tons or (ii) Algoma amends its Annual Requirements pursuant to Section 5(b)(ii) and (iii) to increase such requirement above the tonnage previously specified for such year, Cliffs shall within 30 days of receipt of the initial specification or amendment, as the case may be, notify Algoma whether Cliffs will commit to provide all, a portion or no portion of such excess or increased tonnage. If Cliffs commits to sell and deliver all or any

portion of such excess or increased tonnage, Cliffs shall be obligated to supply such additional tonnage as herein set forth. Cliffs shall have no obligation to supply any portion of such excess or additional tonnage that it does not commit to supply. If Cliffs does not commit to provide all of such excess or increased tonnage, then Algoma may purchase from another party any such tonnage that Cliffs has not committed to provide.

6. PRICE AND ADJUSTMENTS.

(a) In each year the price paid for the Cliffs Pellets purchased and sold hereunder shall be determined as follows:

(i) First, taking each kind of Basic Cliffs Pellets separately, the Base Price per Iron Unit shall be determined, based on an annual purchase of [* * * *] tons, as provided in Section 6(b).

(ii) Second, taking each kind of Basic Cliffs Pellets separately, the Base Price per Iron Unit shall be adjusted based on the amount of Cliffs Pellets purchased and sold, either up or down, as provided in Section 6(c), to determine the Adjusted Expected Price per Iron Unit.

(iii) Third, the Adjusted Expected Price per Iron Unit for any kind(s) of Other Cliffs Pellets shall be determined as provided in Section 6(d).

(b) (i) Basic Cliffs Pellets shall have the following "BASE PRICE PER IRON UNIT" for the year 2002:

<TABLE>
<CAPTION>

PELLET	F.O.B.	BASE PRICE PER IRON UNIT
<S>	<C>	<C>
Tilden Mag Flux	Railcar at Partridge	[* * * *]
Tilden Mag Flux	Vessel at Port Marquette	[* * * *]
Tilden Hem Flux	Railcar at Partridge	[* * * *]
Tilden Hem Flux	Vessel at Port Marquette	[* * * *]
Empire Royal	Railcar at Empire	[* * * *]
Empire Royal	Vessel at Port Marquette	[* * * *]

</TABLE>

(ii) Basic Cliffs Pellets shall have the following Base Price per Iron Unit for the year 2003:

<TABLE>
<CAPTION>

PELLET	F.O.B.	BASE PRICE PER IRON UNIT

<S> <C> <C>

Tilden Mag Flux	Railcar at Partridge	[* * * *]
Tilden Mag Flux	Vessel at Port Marquette	[* * * *]
Tilden Hem Flux	Railcar at Partridge	[* * * *]
Tilden Hem Flux	Vessel at Port Marquette	[* * * *]

</TABLE>

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<S> <C> <C>

Empire Royal	Railcar at Empire	[* * * *]
Empire Royal	Vessel at Port Marquette	[* * * *]

</TABLE>

(iii) The Base Price per Iron Unit for each of the Basic Cliffs Pellets, f.o.b railcar or vessel, shall be determined as follows for the years 2004 through 2016, inclusive:

(A) First, the 2002 Base Price per Iron Unit for such Basic Cliffs Pellets shall be multiplied by the estimated Composite Index for the year in determination.

(B) Second, if the Base Price per Iron Unit for the year in determination (calculated as provided in Section 6(b)(iii)(A)) is [* * * *] for the prior year, [* * * *] for the prior year. If the Base Price per Iron Unit for the year in determination (calculated as provided in Section 6(b)(iii)(A)) is [* * * *] for the prior year, [* * * *] for the prior year.

(C) Third, if the Base Price per Iron Unit for the year in determination (as adjusted pursuant to Section 6(b)(iii)(B)) is [* * * *]. If the Base Price per Iron Unit for the year in determination (as adjusted pursuant to Section 6(b)(iii)(B)) is [* * * *].

(c) For each year, the Base Price per Iron Unit (as defined in Section 6(b)) for each kind of Basic Cliffs Pellets shall be [* * * *] per iron unit for each [* * * *] tons by which the Annual Requirement is [* * * *] for each [* * * *] tons by which the Annual Requirement exceeds [* * * *] tons, in order to determine the price per iron unit to be paid for such year (the "ADJUSTED EXPECTED PRICE PER IRON UNIT") for each kind of Cliffs Pellet.

(d) If in any year Cliffs supplies any Other Cliffs Pellets to Algoma, the Adjusted Expected Price per Iron Unit for such kind(s) of Other Cliffs Pellets shall be that price per iron unit that, after taking into account the difference, if any, in transportation costs, results in the same average cost per iron unit delivered to the Sault Ste. Marie Plant as the average cost per iron unit delivered to the Sault Ste. Marie Plant would be if the entire Annual Requirements were provided from the Tilden Plant.

(e) Attached as EXHIBIT B-2 is an example of the application of the provisions of this Section 6.

7. PAYMENTS AND ADJUSTMENTS.

(a) Subject to adjustment as provided in Sections 7(b) and 7(c):

(i) During the [* * * *] inclusive, Algoma shall pay Cliffs [* * * *] of each month (or if such day is not a Business Day, the Business Day immediately thereafter) an amount equal to [* * * *] the total cost of all of the tons of the various kinds

of Cliffs Pellets [* * * *], to be determined in each case by multiplying such [* * * *] by the Expected Iron Content and the Adjusted Expected Price per Iron Unit. [* * * *]. For any year from [* * * *] inclusive Algoma may, on 60 days' notice prior to the commencement of such year, require that Cliffs [* * * *].

(ii) For the [* * * *] inclusive, Algoma shall pay Cliffs, [* * * *], an amount calculated as follows:

(A) The number of tons of each kind of pellets delivered by Cliffs to Algoma during [* * * *] immediately preceding the date of such payment, multiplied in each case by the applicable Expected Iron Content and Adjusted Expected Price per Iron Unit; plus

(B) The number of tons of each kind of pellets estimated by Algoma to be delivered by Cliffs to Algoma [* * * *] immediately preceding the date of such payment, multiplied in each case by the applicable Expected Iron Content and Adjusted Expected Price per Iron Unit; plus or minus, as the case may be;

(C) The variance, if any, between the number of tons of each kind of pellets estimated to be delivered [* * * *] immediately prior to the date of the preceding payment, and the number of tons actually delivered during such [* * * *], multiplied in each case by the applicable Expected Iron Content and Adjusted Expected Price per Iron Unit.

In case of any payment scheduled to be made on a Monday that is not a Business Day, such payment shall be made on the next occurring Business Day, but all calculations shall be made as if the payment were made on the Monday.

(b) The payments provided for in Section 7(a) shall be adjusted as follows:

(i) Since the Closing Date will be after January 1, 2002, the 2002 payments shall be adjusted so that (x) a partial payment is made on the day following the Closing Date for the period between the Closing Date and [* * * *], and (y) [* * * *].

(ii) In the event of any adjustment to the Annual Requirements pursuant to Section 5(b), any payments to be made pursuant to Section 7(a)(i) after such adjustment shall be increased or decreased so that such payments will be (x) equal in amount, and (y) the minimum amount such that at no time during the year, based on then-existing month-by-month forecasts, will Algoma have taken delivery of a greater amount of pellets than it has paid for.

(iii) Beginning in 2004, not later than June 15 of each year, Cliffs shall prepare and certify to Algoma (x) Cliffs' revised good faith estimate of the Composite Index for such year, (y) Cliffs' recalculation of the Adjusted Expected Price per Iron Unit for each kind of Cliffs Pellets, based thereon, and (z) the amount of the difference between the amount previously paid for Cliffs Pellets during the year and the amount that would have been paid had such adjusted Composite Index been in effect from the beginning of the year. All subsequent payments to be made under Section 7(a) shall be adjusted to reflect the revised Adjusted Expected Price per Iron Unit, and the next such payment shall be adjusted by the amount specified in clause (z) above.

(c) In addition to the adjustments to be made pursuant to Section 7(b), the following lump sum adjustments shall be made:

(i) Not later than January 15 of each year, Cliffs shall prepare and certify to Algoma: (w) Cliffs' revised good faith estimate of the Composite Index for the prior year (beginning in 2004), (x) Cliffs' calculation of the actual tonnage of each kind of Cliffs Pellets and any variance from tonnage forecast to be delivered to satisfy Algoma's Annual Requirements, in each case for the prior year, (y) the actual iron units in each kind of Cliffs Pellets, and any variance from the Expected Iron Content expected therefore, in each case for the prior year, and (z) the amount due from Cliffs to Algoma, or vice versa, to adjust to correct for all of the variances in clauses (w) through (y), for the prior year. The payment due pursuant to Section 7(a) next occurring after January 15 shall be adjusted by the amount specified in clause (z).

(ii) Beginning in 2005, in addition to the adjustment provided for in Section 7(b)(iii), not later than June 15 of each year, Cliffs shall calculate and certify to Algoma (x) the final Composite Index for the prior year, (y) Cliffs' calculation of the adjustment to the Adjusted Expected Price per Iron Unit for each kind of Cliffs Pellets, and (z) the total amount required to be paid by Cliffs to Algoma, or vice versa, to correct the total amount paid by Algoma to Cliffs for the prior year (as previously adjusted) for the actual Adjusted Expected Price per Iron Unit derived for the actual Composite Index. The payment due pursuant to Section 7(a) next occurring after June 15 shall be adjusted by the amount specified in clause (z).

(d) All payments shall be made by wire transfer of immediately available funds according to such instructions as Cliffs may from time to time provide, and shall be made in U.S. dollars.

(e) In the event Algoma shall fail to make payment when due of any amounts, Cliffs, in addition to all other remedies available to Cliffs in law or in equity, shall have the right, but

not the obligation, to withhold further performance by Cliffs under this Agreement until all claims Cliffs may have against Algoma under this Agreement are fully satisfied.

(f) EXHIBIT C illustrates the operation of the provisions of this Section 7.

8. SHIPMENTS AND DELIVERY.

(a) Cliffs and Algoma will agree on a mutually acceptable delivery schedule for each year prior to November 1 of the preceding year. Such schedule must be established to match both Algoma's furnace requirements and Cliffs' pellet availability. Cliffs and Algoma will balance the delivery schedule by pellet source and type so that monthly shipments will be relatively equal, considering winter shipping restrictions and production schedules. Cliffs and Algoma recognize that changes in schedule will occur as provided in Section 5, and will use commercially reasonable efforts to accommodate such changes.

(b) During 2002, Cliffs will use commercially reasonable efforts (which shall not require incurring additional operating or capital costs) to load an average of 70 railcars per day for direct delivery by the Wisconsin Central System, or its successor ("WCS"), to the Sault Ste. Marie Plant. The number of railcars shipped daily from the various locations shall be agreed upon by Cliffs and Algoma, but the total shall not exceed 70. Thereafter, Cliffs will use commercially reasonable efforts (which shall not require incurring additional operating or capital costs) to increase the tonnage of shipments to the Sault Ste. Marie Plant by direct rail with the objective of being able to (i) ship a minimum of [* * * *] of Algoma's annual pellet requirements by direct rail, and (ii) cause a minimum of [* * * *] of the railcars loaded out of the Tilden Plant or the Empire Plant not to exceed their capacities, and not to have a gross weight over rail in excess of [* * * *] pounds. Cliffs and Algoma acknowledge that neither of them owns any railcars and as such they must obtain the cooperation of WCS. To this end, Algoma will pursue with WCS a more appropriately sized rail car fleet (I.E., smaller rail cars) to be used for shipments by WCS. Algoma will cause WCS to adjust the weight of any railcar that is loaded in excess of its designed carrying capacity.

(c) Deliveries shall be made as follows:

(i) Tilden Mag Flux Pellets and Tilden Hem Flux Pellets shall be delivered by Cliffs to Algoma f.o.b. loaded vessel at Port Marquette, Michigan or f.o.b. loaded railcar at Partridge, Michigan, as the case may be, and in either case title and all risk of loss, damage or destruction shall pass to Algoma at the time of discharge of the pellets from the loading device to the vessel or at the time of transfer of rail cars to WCS.

(ii) Empire Royal Pellets shall be delivered by Cliffs to Algoma f.o.b. loaded vessel at Port Marquette, Michigan, or loaded rail car at the Empire Plant, as the case may be, and in either case title and all risk of loss, damage or destruction shall pass to Algoma at the time of discharge of the pellets from the loading device to the vessel or railcar.

(iii) Other Cliffs Pellets shall be delivered by Cliffs to Algoma f.o.b. loaded vessel at Allouez, Wisconsin or Silver Bay, Minnesota or loaded railcar at the Hibbing Plant, or other mutually agreed location (by vessel or rail), as the case may be, and in any case title and all risk of loss, damage or destruction shall pass to Algoma at the time of discharge of the pellets from the loading device to the vessel or railcar.

9. WEIGHTS.

Railcar bill of lading weight determined by railroad scale weights, bin scale weights or belt scale weights in accordance with the procedures in effect at each of the plants, and vessel bill of lading weight determined by railroad scale weights or belt scale weights in accordance with the procedures in effect from time to time at each of the loading ports, shall be accepted by the parties as finally determining the amount of Cliffs Pellets delivered to Algoma pursuant to this Agreement. Cliffs shall ensure that all weighing devices are regularly tested, verified and maintained.

10. EMPLOYMENT OF VESSELS AND RAILCARS.

Algoma assumes the obligation for arranging and providing appropriate vessels and railcars for the transportation of the Cliffs Pellets delivered by Cliffs to Algoma hereunder. Algoma shall arrange and provide (a) for all rail shipments, railcars capable of loading at the Tilden Plant, Empire Plant, Hibbing Plant or Northshore Plant, as the case may be, and (b) for all vessel shipments, ore carrier or bulk carrier type vessels suitable in all respects to enter, berth at and leave the loading ports and suitable for the loading and mooring facilities at the loading ports. If Cliffs supplies any Other Cliffs Pellets hereunder, Algoma shall (i) use all commercially reasonable efforts to obtain the best possible price and other terms for transportation of such Other Cliffs Pellets, and (ii) certify the use of such efforts, and the prices obtained for such transportation, to Cliffs at the end of each year.

11. SAMPLING PROCEDURES.

All pellet sampling procedures and analytical tests conducted on Cliffs Pellets sold to Algoma to demonstrate compliance with typical and average analysis characteristics specified in Section 4 shall be performed by Cliffs at the loading point on each pellet vessel shipment or train shipment, as the case may be. Test methods to be used shall be the appropriate ASTM or ISO standard methods published at the time of testing or the customary procedures and practices previously furnished by Cliffs to Algoma, or any other procedures and practices that may be mutually agreed to by Cliffs and Algoma. The final values of all characteristics are those determined by Cliffs at the loading point. Algoma may, at any time and from time to time through one or more authorized representatives, be present during production, loading, or to observe sampling and analysis of pellets being processed for shipment to Algoma. At Algoma's option and at its own expense, Algoma may from time to time require independent sampling.

12. WARRANTIES.

(a) EXCEPT AS SET FORTH IN SECTION 4(b), CLIFFS MAKES NO, AND HEREBY DISCLAIMS AND EXCLUDES ANY, EXPRESS OR IMPLIED WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, OF FITNESS, OR OF FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ALL CLIFFS PELLETS; PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION 12(a) SHALL LIMIT CLIFFS' OBLIGATION TO USE ITS BEST EFFORTS TO COMPLY WITH SECTION 4(a).

(b) All notices of material variance of any Cliffs Pellets from the [* * * *] described on EXHIBIT A-1, EXHIBIT A-2, EXHIBIT A-3.1, EXHIBIT A-3.2, EXHIBIT A-3.3, EXHIBIT A-3.4, EXHIBIT A-3.5 or EXHIBIT A-3.6, as the case may be, over the average volumes specified in Section 4(c) shall be delivered to Cliffs prior to such Cliffs Pellets being charged in the Sault Ste. Marie Plant's blast furnace, or any claim arising from any such material variance shall be waived by Algoma. Each party shall afford the other party prompt and reasonable opportunity to inspect the Cliffs Pellets as to which any notice is given as above stated. The Cliffs Pellets shall not be returned to Cliffs without prior consent of Cliffs, which consent, in the case of direct rail shipments, shall not be unreasonably withheld. IN NO EVENT SHALL CLIFFS BE LIABLE FOR ANY DAMAGE TO ALGOMA'S PROPERTY OR LOST PROFITS, INJURY TO GOOD WILL OR ANY OTHER SPECIAL OR CONSEQUENTIAL DAMAGES UNLESS IT IS PROVED THAT CLIFFS HAS ENGAGED IN WILLFUL MISCONDUCT.

13. [* * * *]

14. COVENANTS.

(a) During the term of this Agreement, Algoma shall continue to [* * * *].

(b) [* * * *].

(c) During the term of this Agreement, Algoma shall not: (i) sell, transfer or otherwise permit any other Person to use any pellets purchased hereunder, other than as security for a bona fide extension of credit in the ordinary course of business; (ii) use any pellets purchased hereunder in any facility other than the Sault Ste. Marie Plant; or (iii) sell, lease or otherwise transfer title or the right to use the Sault Ste. Marie Plant (including without limitation its blast furnaces), or any material portion thereof, to any Person, or merge, consolidate or reorganize with any Person unless that Person assumes in writing this Agreement and all of Algoma's obligations hereunder.

15. ARBITRATION.

Any matter related hereto that is required to be resolved by arbitration or pursuant to Section 15 hereof shall be resolved in Cleveland, Ohio by application of the rules of The American Arbitration Association applicable to commercial disputes, modified as follows:

(a) there shall be three arbitrators, all of whom shall have expertise relevant to the matter to be determined, and none of whom shall be

an employee, officer, director or consultant of, or of a direct competitor of, Algoma or Cliffs;

(b) in connection with any arbitration arising out of Section 13, each of Cliffs and Algoma shall have the right to submit information to the arbitrators to be held in confidence by them and not disclosed to the other party (or any other person), provided that (i) the party providing such information shall certify its accuracy to the best of its actual knowledge; and (ii) such information shall be made available to counsel for the other party upon delivery by such counsel of its undertaking to hold the information (either in the form provided or in any other form) in confidence and not to disclose it to its client, or any other person (other than the arbitrators);

(c) before making their determination in any matter, the arbitrators must request from each of the parties a complete statement of its proposed resolution of such matter, and the arbitrators shall select between the two proposed resolutions, without making any alteration to either of them (or if either party does not submit a proposed resolution, or submits one that is materially incomplete, shall select the proposed resolution of the other party); and

(d) the costs of the arbitrators shall be borne entirely by the party that did not prevail.

The judgment of the arbitrators shall be final and binding on the parties, and may be entered and enforced by any court of the United States, any state thereof, Canada or any province thereof.

16. FORCE MAJEURE.

No party hereto shall be liable for damages resulting from failure to deliver or accept and pay for all or any of the Cliffs Pellets as described herein, if and to the extent that such delivery or acceptance would be contrary to or would constitute a violation of any regulation, order or requirement of a recognized governmental body or agency, or if such failure, including (a) failure of the mines supplying the Cliffs Pellets to be delivered under this Agreement to produce the Cliffs Pellets, or (b) failure of Algoma's facilities to produce steel, is caused by or results directly or indirectly from acts of God, war, insurrections, interference by foreign powers, acts of terrorism, strikes, hindrances, labor disputes, labor shortages, fires, flood, embargoes, accidents or delays at the mines, on the railroads or docks or in transit, shortage of transportation facilities, disasters of navigation, or other causes, similar or dissimilar, if such other causes are beyond the control of the party charged with a failure to deliver or to accept and pay for the Cliffs Pellets. To the extent a force majeure is claimed hereunder by a party hereto, such shall relieve the other party from fulfilling its corresponding agreement hereunder to the party claiming such force majeure, but only for the period and to the extent of the claimed force majeure, unless otherwise mutually agreed to by the parties.

17. NOTICES.

All notices, consents, reports and other documents authorized and required to be given pursuant to this Agreement shall be given in writing and either personally served on an officer of the party hereto to whom it is given, or sent by recognized overnight delivery service, mailed by registered or certified mail, postage prepaid, or by facsimile, addressed as follows:

If to CCIC, CMC or Northshore:
1100 Superior Avenue - 18th Floor
Cleveland, Ohio 44114-2589
Attention: Secretary
cc: Vice President-Sales

If to Algoma:
105 West Street
Sault Ste. Marie, Ontario P6A 7B4
Attention: Corporate Secretary
Fax: (705) 945-2203

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.

18. TERM.

The term of this Agreement shall commence as of 12:01 a.m. on the day following the Closing Date and continue through December 31, 2016; provided, however, that if the Closing Date has not occurred prior to February 28, 2002, then either party shall have the right to terminate this Agreement at any time prior to the Closing Date, by notice to the other party. This Agreement shall remain valid and fully enforceable for the fulfillment of obligations incurred prior to termination.

19. AMENDMENT.

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

20. WAIVER.

No waiver of any of the terms of this Agreement shall be valid unless in writing and signed by all parties hereto. 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.

21. CONFIDENTIALITY.

(a) Cliffs and Algoma acknowledge that this Agreement contains certain volume pricing, adjustment and term provisions which are confidential, proprietary or of a sensitive commercial nature and which would put Cliffs or Algoma at a competitive disadvantage if disclosed to the public, specifically, Sections 1, 2, 6, 7, 13 and 14, and all of the Schedules and Exhibits hereto ("CONFIDENTIAL INFORMATION"). Cliffs and Algoma further agree that all provisions of this Agreement shall be kept confidential and, without the prior consent of the other party, shall not be disclosed to any party not a party to this Agreement except as required by law or governmental or judicial order and except that disclosure of the existence of this Agreement shall not be precluded by this Section 21.

(b) If either party is required by law or governmental or judicial order or receives legal process or a court or agency directive requesting or requiring disclosure of any of the Confidential Information contained in this Agreement, such party will promptly notify the other party prior to disclosure to permit such party to seek a protective order or take other appropriate action to preserve the confidentiality of such Confidential Information. If either party determines to file this Agreement with the Securities and Exchange Commission ("COMMISSION") or any other federal, state, provincial or local governmental or regulatory authority, or with any stock exchange or similar body, such determining party will use its best efforts to obtain confidential treatment of such Confidential Information pursuant to any applicable rule, regulation or procedure of the Commission and any applicable rule, regulation or procedure relating to confidential filings made with any such other authority or exchange. If the Commission (or any such other authority or exchange) denies such party's request for confidential treatment of such Confidential Information, such party will use its best efforts to obtain confidential treatment of the portions thereof that the other party designates. Each party will allow the other party to participate in seeking to obtain such confidential treatment for Confidential Information.

22. GOVERNING LAW.

This Agreement shall in all respects, including matters of construction, validity and performance, be governed by and be construed in accordance with the laws of the State of Ohio.

23. ASSIGNMENT.

(a) For purposes of this Agreement, the term "Algoma" includes and means not only Algoma, but also any successor by merger or consolidation of Algoma and any permitted assigns of Algoma.

(b) In case Algoma shall consolidate with or merge into another corporation or shall transfer to another person, partnership, corporation or entity, all or substantially all of its iron and steel business, this Agreement shall be assigned by Algoma to, and shall be binding upon, the corporation resulting from such consolidation or merger or the person, partnership, corporation

or entity to which such transfer is made; otherwise no assignment of this Agreement by Algoma shall be valid unless Cliffs shall consent in writing thereto.

(c) In case CCIC, CMC or Northshore, or any permitted assign of any of them, shall consolidate with or merge into another corporation or shall transfer to another person, partnership, corporation or entity, all or substantially all of its business, this Agreement shall be assigned by CCIC, CMC or Northshore, as the case may be, to, and shall be binding upon, the corporation resulting from such consolidation or merger or the person, partnership, corporation or entity to which such transfer is made; otherwise, no assignment of this Agreement by CCIC, CMC or Northshore, shall be valid unless Algoma shall consent thereto in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized officers.
<TABLE>
<CAPTION>

THE CLEVELAND-CLIFFS IRON COMPANY	ALGOMA STEEL INC.
<S>	<C>
By: /s/ Donald J. Gallagher	By: /s/ Glen Manchester
Name: Donald J. Gallagher	Name: Glen Manchester
Title: Vice President	Title: Vice President - Finance and Administration
CLIFFS MINING COMPANY	NORTHSHORE MINING COMPANY
By: /s/ Donald J. Gallagher	By: /s/ Donald J. Gallagher
Name: Donald J. Gallagher	Name: Donald J. Gallagher
Title: Vice President	Title: Vice President

</TABLE>

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

SCHEDULE 1(i)

[* * * *]

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

SCHEDULE 5(a)

ALGOMA STEEL INC.
105 West Street
Sault Ste. Marie, Ontario, Canada
P6A 7B4

EDWARD M. BUMBACCO
Manager Corporate Logistics,
Purchasing and Stores
Telephone: (705) 945-2472
Facsimile: (705) 945-3112
e-mail: ebumbacco@algoma.com

November 7, 2001

VIA FAX 216-694-5385

Mr. Don Gallagher
Cleveland Cliffs Inc.
1100 Superior Avenue
Cleveland, OH 44114-2589

Dear Don:

PELLET NOMINATION FOR 2002

As per our recent agreement, our November pellet nomination for 2002 will be [* * * *].

Our monthly shipment expectations are as follows:
<TABLE>

<S>	<C>	<C>	<C>
January:	[* * * *]	July:	[* * * *]
February:	[* * * *]	August:	[* * * *]
March:	[* * * *]	September:	[* * * *]
April:	[* * * *]	October:	[* * * *]
May:	[* * * *]	November:	[* * * *]
June:	[* * * *]	December:	[* * * *]

</TABLE>

Algoma Steel would like to meet with Cliffs, at your convenience, to discuss our detailed monthly requirements and routing expectations. For your information, the volumes for the year reflect a slightly higher rail movement than previously discussed.

[* * * *]

Yours truly,

ALGOMA STEEL INC.

/s/ Ed /s/
Ed Bumbacco
Manager Corporate Logistics, Purchasing and Stores

Cc A. Stevens

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

EXHIBIT A-1

IRON ORE FLUXED PELLETS

AVERAGE COMPOSITE SPECIFICATION FOR ALL FLUXED PELLET BLENDS

<TABLE>
<CAPTION>

	[* * * *] AIM	FREQUENCY
<S>	<C>	<C>
A. % DRY CHEMICAL ANALYSIS		
Fe		S
SiO_2		S
Al_2O_3		S
CaO		S
MgO		S
Mn		S
P		S
S		Q
TiO_2		Q
Na_2O		Q
K_2O		Q
	[* * * *]	
CaO/ SiO_2		
B/A		
MgO/ SiO_2		
B. PHYSICAL		
% +1/2"		S
% -1/2" x +3/8"		S
% -1/4"		S
% - 28 Mesh		S
C. REDUCIBILITY (R40)		Q
D. LTB (% +1/4")		Q
E. COMPRESSION (LBS)		M
F. SWELLING		Q
G. SOFTENING TEMP ([degrees]C)		Q
H. MOISTURE AS LOADED		S

</TABLE>

Additional Requirements:

1. Specifications to be based on a weighted pellet quality specification as charged to the blast furnace.

2. Individual pellet specifications to be provided on a train lot or vessel cargo basis. Physical and moisture limits apply on a shipment by shipment basis. Moisture shall also be limited to a maximum of [* * * *] on a monthly average basis.

3. Changes to pellet sourcing must result in a specification substantially equivalent to the above, and shall be reviewed by Algoma and Cliffs prior to shipments.

4. [* * * *]

Frequency of reporting: S = Shipment, M = Monthly average, Q = Quarterly average.

EXHIBIT A-2

IRON ORE BLENDED PELLETS

AVERAGE COMPOSITE SPECIFICATION [* * * *]

<TABLE>
<CAPTION>

	[* * * *] AIM	FREQUENCY
<S>	<C>	<C>
A. % DRY CHEMICAL ANALYSIS		
Fe		S
SiO_2		S
Al_2O_3		S
CaO		S
MgO		S
Mn		S

P		S
S		Q
TiO_2		Q
Na_2O		Q
K_2O		Q
CaO/SiO_2	[* * * *]	
B/A		
MgO/SiO_2		
B. PHYSICAL		
% +1/2"		S
% -1/2" x +3/8"		S
% -1/4"		S
% - 28 Mesh		S
C. REDUCIBILITY (R40)		Q
D. LTB (% +1/4")		Q
E. COMPRESSION (LBS)		M
F. SWELLING		Q
G. SOFTENING TEMP ([degrees]C)		Q
H. MOISTURE AS LOADED		S

</TABLE>

Additional Requirements:

1. Specifications to be based on a weighted pellet quality specification as charged to the blast furnace.

2. Individual pellet specifications to be provided on a train lot or vessel cargo basis. Physical and moisture limits apply on a shipment by shipment basis. Moisture shall also be limited to a maximum of [* * * *] on a monthly average basis.

3. Changes to pellet sourcing must result in a specification substantially equivalent to the above, and shall be reviewed by Algoma and Cliffs prior to shipments.

4. [* * * *]

Frequency of reporting: S = Shipment, M = Monthly average, Q = Quarterly average.

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

EXHIBIT A-3.1

THE CLEVELAND-CLIFFS IRON COMPANY
EMPIRE IRON MINING PARTNERSHIP
EMPIRE ROYAL FLUX PELLET

	[* * * *] AIM
A. % DRY CHEMICAL ANALYSIS	
Fe	
SiO_2	
Al_2O_3	
CaO	
MgO	
Mn	
P	
S	
TiO_2	
Na_2O	
K_2O	
	[* * * *]
CaO / SiO_2 (L/S)	
MgO / SiO_2	
B. SIZING (BT)	
% + 1/2"	
% -1/2" x + 3/8"	

% -3/8" x + 1/4"
% - 1/4"

C. POROSITY, % VOIDS

D. REDUCIBILITY (R40)

E. LTB (% + 1/4")

F. COMPRESSION (LBS)

G. HIGH TEMP UNDER LOAD (% RED.)

H. SWELLING (% VOLUME CHANGE)

I. SOFTENING TEMP ([degrees]C)

J. BULK DENSITY (LBS/CU FT)

K. MOISTURE AS LOADED

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

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EXHIBIT A-3.2

THE CLEVELAND-CLIFFS IRON COMPANY
TILDEN MINING COMPANY L.C.
TILDEN MAGNETITE FLUX PELLET

[* * * *]
AIM

A. % DRY CHEMICAL ANALYSIS
Fe
SiO2
Al2O3
CaO
MgO
Mn
P
S
TiO2
Na2O
K2O
[* * * *]
CaO / SiO2 (L/S)
B/A
MgO / SiO2

B. PHYSICAL
% + 1/2"
% -1/2" x + 3/8"
% - 1/4"
% - 28 Mesh

C. POROSITY, % VOIDS

D. REDUCIBILITY (R40)

E. LTB (% + 1/4")

F. COMPRESSION (LBS)

G. HIGH TEMP UNDER LOAD (% RED.)

H. SWELLING (% VOLUME CHANGE)

I. SOFTENING TEMP ([degrees]C)

J. BULK DENSITY (LBS/CU FT)

K. MOISTURE AS LOADED

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

EXHIBIT A-3.3

THE CLEVELAND-CLIFFS IRON COMPANY
TILDEN MINING COMPANY L.C.
TILDEN HEMATITE FLUX PELLET

	[* * * *] AIM
A. % DRY CHEMICAL ANALYSIS	
Fe	
SiO2	
Al2O3	
CaO	
MgO	
Mn	
P	
S	
TiO2	
Na2O	
K2O	
	[* * * *]
CaO / SiO2 (L/S)	
B/A	
MgO / SiO2	
B. SIZING (BT)	
% + 1/2"	
% -1/2" x + 3/8"	
% - 1/4"	
% - 28 Mesh	
C. POROSITY, % VOIDS	
D. REDUCIBILITY (R40)	
E. LTB (% + 1/4")	
F. COMPRESSION (LBS)	
G. HIGH TEMP UNDER LOAD (% RED.)	
H. SWELLING (% VOLUME CHANGE)	
I. SOFTENING TEMP ([degrees]C)	
J. BULK DENSITY (LBS/CU FT)	
K. MOISTURE AS LOADED	

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

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EXHIBIT A-3.4

CLIFFS MINING COMPANY
HIBBING TACONITE COMPANY JOINT VENTURE
HIBTAC STANDARD PELLET

	[* * * *] AIM
A. % DRY CHEMICAL ANALYSIS	
Fe	
SiO2	

Al2O3
CaO
MgO
Mn
P
S
TiO2
Na2O
K2O

[* * * *]

CaO / SiO2 (L/S)
B/A
MgO / SiO2

B. SIZING (BT)
% + 1/2"
% -1/2" x + 3/8"
% - 1/4"
% - 28 Mesh

C. POROSITY, % VOIDS

D. REDUCIBILITY (R40)

E. LTB (% + 1/4")

F. COMPRESSION (LBS)

G. HIGH TEMP UNDER LOAD (% RED.)

H. SWELLING (% VOLUME CHANGE)

I. SOFTENING TEMP ([degrees]C)

J. BULK DENSITY (LBS/CU FT)

K. MOISTURE AS LOADED

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

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EXHIBIT A-3.5

NORTHSHORE MINING COMPANY
NORTHSHORE STANDARD (ACID)

[* * * *]
AIM

A. % DRY CHEMICAL ANALYSIS
Fe
SiO2
Al2O3
CaO
MgO
Mn
P
S
TiO2
Na2O
K2O

[* * * *]

CaO / SiO2 (L/S)
B/A
MgO / SiO2

B. SIZING (BT)
% + 1/2"
% -1/2" x + 3/8"
% - 1/4"
% - 28 Mesh

C. POROSITY, % VOIDS

D. REDUCIBILITY (R40)

E. LTB (% + 1/4")

F. COMPRESSION (LBS)

G. HIGH TEMP UNDER LOAD (% RED.)

H. SWELLING (% VOLUME CHANGE)

I. SOFTENING TEMP ([degrees]C)

J. BULK DENSITY (LBS/CU FT)

K. MOISTURE AS LOADED

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

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EXHIBIT A-3.6

NORTHSHORE MINING COMPANY
NORTHSHORE FLUX

	[* * * *] AIM
A. % DRY CHEMICAL ANALYSIS	
Fe	
SiO_2	
Al_2O_3	
CaO	
MgO	
Mn	
P	
S	
TiO_2	
Na_2O	
K_2O	
	[* * * *]
CaO / SiO_2 (L/S)	
B/A	
MgO / SiO_2	

B. SIZING (BT)
% + 1/2"
% -1/2" x + 3/8"
% - 1/4"
% - 28 Mesh

C. POROSITY, % VOIDS

D. REDUCIBILITY (R40)

E. LTB (% + 1/4")

F. COMPRESSION (LBS)

G. HIGH TEMP UNDER LOAD (% RED.)

H. SWELLING (% VOLUME CHANGE)

I. SOFTENING TEMP ([degrees]C)

J. BULK DENSITY (LBS/CU FT)

K. MOISTURE AS LOADED

ANALYSIS ARE LOADED AT MINE

Comments:

[* * * *]

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EXHIBIT B-1

PELLET SALE AND PURCHASE AGREEMENT

COMPOSITE INDEX FORMULA FOR YEARS 2004-2016

CONTRACT YEAR'S COMPOSITE INDEX CALCULATION

[* * * *]

CONTRACT YEAR'S COMPOSITE INDEX = (A+B+C)

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

EXHIBIT B-2

PELLET SALE AND PURCHASE AGREEMENT

EXAMPLE OF CALCULATION OF CURRENT YEAR'S PELLET PRICE

CONTRACT YEAR 2004

(1) Multiply 2002 Base Price per iron unit by the Composite Index
<TABLE>
<CAPTION>

PELLET	F.O.B.	2002 BASE PRICE PER PER IRON UNIT	COMPOSITE INDEX	ADJUSTED BASE PRICE PER PER IRON UNIT
Tilden Mag Flux	Railcar at Partridge	[* * * *]	[* * * *]	[* * * *]
<S>	<C>	<C>	<C>	<C>
[* * * *]				

</TABLE>

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

EXHIBIT C

PELLET SALE AND PURCHASE AGREEMENT

EXAMPLE OF ONE YEAR'S CYCLE OF RECALCULATION OF ADJUSTED EXPECTED PRICE PER IRON UNIT CONTRACT YEAR 2004

(1) No later than December 15 of year prior to Contract Year, Cliffs will provide a good faith estimate of the Composite Index for the Contract Year
<TABLE>
<CAPTION>

PELLET	F.O.B.	DECEMBER 15 OF YEAR PRIOR TO CONTRACT YEAR ESTIMATED COMPOSITE INDEX	2002 BASE PRICE PER IRON UNIT	ADJUSTED BASE PRICE PER IRON UNIT
<S>	<C>	<C>	<C>	<C>
Tilden Mag Flux	Railcar at Partridge	[* * * *]	[* * * *]	[* * * *]

</TABLE>

[* * * *]

(3) No later than June 15 of Contract Year, Cliffs will provide a revised good faith estimate of the Composite Index for the Contract Year

<TABLE>
<CAPTION>

PELLET	F.O.B.	DECEMBER 15 OF YEAR PRIOR TO CONTRACT YEAR ESTIMATED COMPOSITE INDEX	JUNE 15 OF CONTRACT YEAR REVISED CALCULATED COMPOSITE INDEX	2002 BASE PRICE PER IRON UNIT	ADJUSTED BASE PRICE PER PELLET IRON UNIT
<S>	<C>	<C>	<C>	<C>	<C>
Tilden Mag Flux	Railcar at Partridge	[* * * *]	[* * * *]	[* * * *]	[* * * *]

</TABLE>

[* * * *]

(5) No later than January 15 of year following the Contract Year, Cliffs will provide a second revised good faith estimate of the Composite Index for the prior year's Contract Year

<TABLE>
<CAPTION>

PELLET	F.O.B.	JUNE 15 OF CONTRACT YEAR ESTIMATED COMPOSITE INDEX	JANUARY 15 OF YEAR FOLLOWING CONTRACT YEAR REVISED CALCULATED COMPOSITE INDEX	2002 BASE PRICE PER IRON UNIT	ADJUSTED BASE PRICE PER PELLET IRON UNIT
<S>	<C>	<C>	<C>	<C>	<C>
Tilden Mag Flux	Railcar at Partridge	[* * * *]	[* * * *]	[* * * *]	[* * * *]

</TABLE>

[* * * *]

(7) No later than June 15 of year following the Contract Year, Cliffs will provide a final revised Composite Index for the prior year's Contract Year

<TABLE>
<CAPTION>

PELLET	F.O.B.	JANUARY 15 OF YEAR FOLLOWING CONTRACT YEAR ESTIMATED COMPOSITE INDEX	JUNE 15 OF YEAR FOLLOWING CONTRACT YEAR FINAL CALCULATED COMPOSITE INDEX	2002 BASE PRICE PER IRON UNIT	ADJUSTED BASE PRICE PER PELLET IRON UNIT
<S>	<C>	<C>	<C>	<C>	<C>
Tilden Mag Flux	Railcar at Partridge	[* * * *]	[* * * *]	[* * * *]	[* * * *]

</TABLE>

[* * * *]

Exhibit 99(a)

[LOGO - NEWS RELEASE]

Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, Ohio 44114-2589

CLEVELAND-CLIFFS REPORTS RESULTS
FOR FIRST QUARTER 2002

Cleveland, OH -- April 24, 2002 -- Cleveland-Cliffs Inc (NYSE:CLF) today reported a net loss of $12.8 million, or $1.27 per diluted share, for the first quarter of 2002. In the first quarter of 2001, Cliffs had a loss of $9.6 million, or $.95 per diluted share, before recognizing a $9.3 million credit relating to the cumulative effect of an accounting change. In 2001, the Company changed its method of accounting for investment gains and losses on pension assets for the calculation of pension expense. The net loss in the first quarter of 2001 was $.3 million, or $.03 per diluted share. Following is a summary of results:

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	(IN MILLIONS, EXCEPT PER SHARE)	
	2002	2001
<S>	<C>	<C>
Loss Before Cumulative Effect of Accounting Change:		
Amount	$ (12.8)	$ (9.6)
Per Share	(1.27)	(.95)
Cumulative Effect of Accounting Change:		
Amount	--	9.3
Per Share	--	.92
Net Loss:		
Amount	(12.8)	(.3)
Per Share	(1.27)	(.03)

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First quarter results are historically not representative of annual results due to limited shipments of iron ore pellets on the Great Lakes during the winter months. The larger loss in the first quarter of 2002 was principally due to the suspension of operations at the Empire Mine for the quarter, resulting in higher idle costs and lower royalty and fee income. Empire has subsequently resumed operations. Fixed costs related to production curtailments, which are included in cost of goods sold and operating expenses, were approximately $14 million in the first quarter of 2002 versus $4 million in 2001. Partly offsetting the adverse impact of increased production curtailments in 2002 was a decrease in the loss from Cliffs and Associates Limited (CAL) and higher income from the sale of non-strategic assets in 2002. First quarter 2001 results also included a $1.9 million pre-tax charge for restructuring activities.

Royalties and management fee income from partners in the first quarter of 2002 decreased $6.6 million from last year due mainly to the suspension of operations at the Empire Mine in 2002, and Cliffs' increased ownership in Tilden Mine in 2002. In order to enhance the clarity of reporting Cliffs' results, revenues reflect only royalties and fees

paid by Cliffs' partners. Royalties and fees paid by Cliffs, as a partner in the mines, which were previously reported in both revenues and cost of goods sold, are now eliminated. As a result, first quarter 2001 revenues from royalties and management fees and cost of goods sold have been restated by a $.9 million reduction. This change had no impact on financial results.

IRON ORE ACTIVITIES

Iron ore pellet sales in the first quarter of 2002 were 1.3 million tons compared with .5 million tons in 2001. The increase is partly due to the sale of .3 million tons to Algoma Steel under a new sales contract that has made Cliffs the sole supplier of pellets to Algoma for the next 15 years. See "Acquisition of Algoma Interest in Tilden Mine."

Iron ore pellet production at Cliffs-managed mines decreased to 4.6 million tons in the first quarter of 2002 from 6.9 million tons in 2001. Cliffs' share of first quarter production was 2.5 million tons versus 2.8 million tons in 2001. Following is a summary of production tonnage by mine for the first quarter of 2002 and 2001:

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	(TONS IN MILLIONS)			
	TOTAL		CLIFFS' SHARE	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Empire	--	1.9	--	.7
Tilden	1.6	1.7	1.4	.7
Michigan Mines	1.6	3.6	1.4	1.4
Hibbing	1.3	1.0	.1	.2
Northshore	.8	.9	.8	.9
Wabush	.9	1.4	.2	.3
Total	4.6	6.9	2.5	2.8

</TABLE>

The Empire Mine, which was idle in the fourth quarter of 2001 and the entire first quarter of 2002, resumed production on April 8 after Cliffs and Ispat Inland, the remaining owners of Empire, developed an operating plan for the year. The Hibbing Mine was idle for four weeks in the first quarter of 2002 and six weeks in the first quarter of 2001. The Northshore Mine curtailed production in both years by only operating its two larger pelletizing lines. Current year production at the Wabush Mine is behind last year due to a lower planned operating rate and production problems attributable to severe weather conditions.

ACQUISITION OF ALGOMA INTEREST IN TILDEN MINE

On January 31, 2002, Cliffs acquired Algoma Steel's 45 percent interest in the Tilden Mine for the assumption of approximately $14 million of net mine liabilities. The acquisition increased Cliffs' ownership of Tilden from 40 percent to 85 percent and increased Cliffs' share of the mine's 7.8 million ton production capacity from 3.1 million tons to 6.6 million tons. As a result of increasing the Company's ownership to 85 percent, Tilden has become a consolidated subsidiary of Cliffs. Stelco, Inc. remains a 15 percent owner of the mine.

FERROUS METALLICS ACTIVITIES

CAL operations remained idle during the first quarter of 2002 due to weak market conditions. Cliffs' share of CAL idle costs was $2.6 million pre-tax, or $2.2 million on an EBITDA basis. Holding costs have continued to be reduced while protecting the assets and retaining a highly skilled core workforce. In the first quarter of 2001, Cliffs' share of CAL's pre-operating costs was $4.6 million on a pre-tax basis.

The market for ferrous metallics products continues to be weak, but demand and pricing are expected to improve as the global steel business improves. We intend to restart our HBI plant in Trinidad and Tobago when a sustained improvement in the market is evident.

On April 4, Cliffs signed an agreement to participate in Phase II of the Mesabi Nugget Project. Other participants include Kobe Steel, Ltd., Steel Dynamics, Inc., Ferrometrics, Inc. and the State of Minnesota. A $24 million pilot plant will be constructed at Cliffs' Northshore Mine to test and develop Kobe Steel's technology for converting iron ore into nearly pure iron in nugget form. Cliffs' contribution to the project, through the pilot plant testing and development phase, is $4.5 million. If the pilot plant is successful, construction of a commercial size facility capable of producing 300,000 tons annually could start as early as 2004.

LIQUIDITY

At March 31, 2002, Cliffs had cash and cash equivalents of $142 million, including $100 million borrowed under the Company's unsecured revolving credit facility. The $100 million revolving credit facility does not expire until May 2003; however, the Company is considering alternatives to this financing, reflecting limited flexibility under the existing bank loan covenants. The Company's $70 million of senior unsecured notes are due in December 2005.

OUTLOOK

Steel industry fundamentals in the United States and Canada have turned positive with operating rates and steel prices increasing significantly since the beginning of the year. While the steel market is expected to remain tight, there is currently excess iron ore pellet capacity.

John S. Brinzo, Cliffs' Chairman and Chief Executive Officer, said, "The increase in steel operating rates has started to improve the demand for iron ore pellets to a level we haven't seen the last few years. The resumption of steelmaking activities at the former LTV facilities by International Steel Group Inc. (ISG) in the second half of 2002 is another major positive development for the North American iron ore industry, and particularly for Cliffs, since it will put idle blast furnaces requiring iron ore pellets back into operation."

On April 12, the Company announced that it had signed a long-term agreement to supply iron ore pellets to ISG. Under the agreement, Cliffs will be the sole supplier of pellets purchased by ISG for a 15-year period beginning in 2002. Cliffs also announced that it has invested $13 million in ISG common stock, representing approximately 7

percent of ISG's equity. Pellet sales to ISG in 2002 are expected to be between 1.5 and 2 million tons, depending on ISG's actual production start-up. Sales over the remainder of the contract term will depend on ISG's pellet requirements. Based on ISG's planned operating levels, the annual pellet requirement is expected to be about 5 million tons.

The new contract with ISG has increased Cliffs' pellet sales forecast for the year 2002 to about 13 million tons. Total pellet production for 2002 at Cliffs' operations is now forecasted at about 27 million tons, as follows:

- Michigan mines (Empire and Tilden) are expected to produce about 12.0 million tons
- Northshore is expected to produce between 3.5 and 4.0 million tons
- Hibbing is expected to produce 6.8 million tons
- Wabush is expected to produce 4.5 million tons

Cliffs' share of production is expected to be about 14 million tons.

Brinzo said, "The new contract with ISG is expected to allow Cliffs to operate at close to capacity levels beginning in 2003. While this volume increase is crucial to eliminating idle costs, we continue to focus on aggressively reducing the costs of production and are taking decisive actions to increase the competitive position of all of our mines. In Michigan, we are exploring the possibility of combining the Empire and Tilden Mines into one operation capable of producing up to 14 million tons of pellets per year. Under the plan called TEC (Tilden and Empire Combined), most of the mining and processing facilities of both mines would be utilized, but TEC would be managed and operated as one unit to realize the cost synergies of consolidation. A decision on implementing TEC is likely in the third quarter."

Brinzo concluded, "While business conditions are improving, we expect to report a loss in the second quarter and for the full year 2002. However, we are projecting our results to be profitable in the second half of 2002 and look for a further improvement in financial results in 2003. Although we do not underestimate the challenges ahead in the iron and steel industry, we are also excited about the opportunities."

Cleveland-Cliffs is the largest supplier of iron ore products to the North American steel industry and is developing a significant ferrous metallics business. Subsidiaries of the Company manage and hold equity interests in five iron ore mines in Michigan, Minnesota and Eastern Canada. Cliffs has a major iron ore reserve position in the United States and is a substantial iron ore merchant. References in this news release to "Cliffs" and "Company" include subsidiaries and affiliates as appropriate in the context.

This news release contains predictive statements that are intended to be made as "forward-looking" within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties.

Actual results may differ materially from such statements for a variety of factors; such as: demand for iron ore pellets by North American integrated steel producers due to changes in steel utilization rates, operational or start-up factors, electric furnace production or imports of semi-finished steel or pig iron; changes in the financial condition of the Company's partners and/or customers; rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U. S. Bankruptcy Code; changes in imports of steel, iron ore, or ferrous metallic products; changes in the market price of HBI and expected idle costs of CAL; events or circumstances that could impair or adversely impact the viability of a mine or other operation and the carrying value of associated assets; and changes in domestic or international economic and political conditions.

Reference is made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, as set forth in the Company's Annual Report for 2001 and Reports on Form 10-K and 10-Q and previous news releases filed with the Securities and Exchange Commission, which are available publicly on Cliffs' web site. The information contained in this document speaks as of the date of this news release and may be superceded by subsequent events.

Cliffs will host a conference call on first quarter 2002 results tomorrow, April 25, at 10:00 a.m. EDT. The call will be broadcast live on Cliffs' website at http://www.cleveland-cliffs.com. A replay of the call will be available on the website for 30 days. Cliffs will file its first quarter 10-Q Report with the Securities and Exchange Commission on April 25. For a more complete discussion of operations and financial position, please refer to the 10-Q Report.

CONTACTS:
Media: Ralph S. Berge, (216) 694-4870
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News releases and other information on the Company are available on the Internet at http://www.cleveland-cliffs.com

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED OPERATIONS

<TABLE>
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(IN MILLIONS EXCEPT PER SHARE AMOUNTS)	Three Months Ended March 31, 2002	2001
<S>	<C>	<C>
REVENUES		
Product sales and services		
Iron ore	$ 47.9	$ 20.3
Freight and minority interest	7.1	.6
Total product sales and services	55.0	20.9
Royalties and management fees	1.3	7.9
Total operating revenues	56.3	28.8
Interest income	1.1	1.1
Other income	3.3	2.4
TOTAL REVENUES	60.7	32.3
COSTS AND EXPENSES		
Cost of goods sold and operating expenses - iron ore	70.4	35.1
Administrative, selling and general expenses	4.0	2.8
Idle expense and pre-operating loss of Cliffs and Associates Limited	3.3	5.8
Interest expense	1.9	2.1
Other expenses	1.3	2.5
TOTAL COSTS AND EXPENSES	80.9	48.3
LOSS BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(20.2)	(16.0)
INCOME TAXES (CREDIT)	(6.7)	(5.2)
LOSS BEFORE MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(13.5)	(10.8)
MINORITY INTEREST	.7	1.2
LOSS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(12.8)	(9.6)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE - NET OF $5.0 TAX		9.3

NET LOSS	$(12.8)	$ (.3)
NET LOSS PER COMMON SHARE		
Basic and Diluted		
Before cumulative effect of accounting change	$(1.27)	$ (.95)
Cumulative effect of accounting change - net of tax		.92
Net loss	$(1.27)	$ (.03)
AVERAGE NUMBER OF SHARES		
Basic	10.2	10.1
Diluted	10.2	10.1

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CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED CASH FLOWS

<TABLE>
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(IN MILLIONS, BRACKETS INDICATE DECREASE IN CASH)	Three Months Ended March 31, 2002	2001
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net loss	$(12.8)	$ (.3)
Depreciation and amortization:		
Consolidated	5.6	3.8
Share of associated companies	2.1	3.1
Deferred income taxes	2.8	(1.5)
Minority interest in Cliffs and Associates Limited	(.7)	(1.2)
Gain on sale of assets	(2.5)	(1.4)
Cumulative effect of accounting change - net of $5.0 tax		(9.3)
Other	(3.3)	1.1
Total before changes in operating assets and liabilities	(8.8)	(5.7)
Changes in operating assets and liabilities	(25.2)	(31.2)
Net cash used by operating activities	(34.0)	(36.9)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated:		
Cliffs and Associates Limited		(5.4)
Other	(4.2)	(2.1)
Share of associated companies	(.6)	(.3)
Investment in power related joint venture	(6.0)	
Proceeds from sale of assets	2.5	1.5
Other		(.4)
Net cash used by investing activities	(8.3)	(6.7)
FINANCING ACTIVITIES		
Borrowings under revolving credit facility		65.0
Contributions by minority shareholder in Cliffs and Associates Limited	.6	5.2
Dividends		(1.0)
Net cash from financing activities	.6	69.2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$(41.7)	$25.6

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CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<TABLE>
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(In Millions)

	Mar. 31 2002	Dec. 31, 2001	Mar. 31 2001
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 142.1	$ 183.8	$ 55.5
Trade accounts receivable - net	9.9	19.9	6.4
Receivables from associated companies	2.2	12.1	17.2
Inventories			
Product	126.3	84.8	161.3
Supplies and other	49.8	29.0	21.9
Deferred and refundable income taxes	28.1	20.8	18.6
Other	20.4	12.3	11.8
TOTAL CURRENT ASSETS	378.8	362.7	292.7
PROPERTIES - NET	396.6	260.3	276.2
INVESTMENTS IN ASSOCIATED COMPANIES	46.3	135.0	135.2
OTHER ASSETS	67.5	67.0	61.8
TOTAL ASSETS	$ 889.2	$ 825.0	$ 765.9
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings	$ 100.0	$ 100.0	$ 65.0
Accounts payable and accrued expenses	114.8	89.8	88.8
TOTAL CURRENT LIABILITIES	214.8	189.8	153.8
LONG-TERM DEBT	70.0	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	91.9	69.2	65.3
ENVIRONMENTAL AND CLOSURE	59.4	59.2	18.1
OTHER LIABILITIES	35.9	36.7	39.3
	472.0	424.9	346.5
MINORITY INTEREST			
Cliffs and Associates Limited	25.8	25.9	27.9
Tilden Mining Company L.C.	28.8		
SHAREHOLDERS' EQUITY	362.6	374.2	391.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 889.2	$ 825.0	$ 765.9

</TABLE>

NOTES TO UNAUDITED FINANCIAL STATEMENTS

1. On January 31, 2002, Cliffs acquired Algoma Steel's 45 percent interest in the Tilden Mine, which increased Cliffs' ownership of Tilden from 40 percent to 85 percent. As a result of this transaction, Tilden became a consolidated subsidiary of Cliffs. Stelco, Inc. remains the owner of the other 15 percent of Tilden. In comparing the consolidated statement of financial position at March 31, 2002 and December 31, 2001, there are significant changes that are mainly due to the full consolidation of Tilden versus accounting for Tilden by the equity method. Consolidation of Tilden also increases sales revenues and cost of goods sold to account for Tilden cost reimbursements from the minority owner.

2. In management's opinion, the unaudited financial statements present fairly the Company's financial position and results. All supplementary information required by generally accepted accounting principles for complete financial statements has not been included. For further information, please refer to the Company's latest Annual Report.