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, 2003
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	1-8944	34-1464672
(State or other jurisdiction of incorporation)	(Commission File Number)	(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____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES __X__ NO____

As of April 17, 2003, there were 10,322,403 Common Shares (par value $1.00 per share) outstanding.

TABLE OF CONTENTS

TABLE OF CONTENTS

PART I — ITEM 1 — FINANCIAL INFORMATION

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS

	(In Millions, Except Per Share Amounts) Three Months Ended March 31	
	2003	**2002**
REVENUES		
Product sales and services		
Iron ore	$ 122.9	$ 47.9
Freight and minority interest	28.2	7.1
Total product sales and services	151.1	55.0
Royalties and management fees	2.3	1.3
Total operating revenues	153.4	56.3
Interest income	2.7	1.1
Other income	5.4	3.3
Total Revenues	161.5	60.7
COSTS AND EXPENSES		
Cost of goods sold and operating expenses	151.0	69.1
Administrative, selling and general expenses	4.9	4.0
Interest expense	1.2	1.9
Other expenses	1.1	1.3
Total Costs and Expenses	158.2	76.3
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3.3	(15.6)
INCOME TAXES (CREDIT)	1.1	(6.7)
INCOME (LOSS) FROM CONTINUING OPERATIONS	2.2	(8.9)
LOSS FROM DISCONTINUED OPERATION		(2.6)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	2.2	(11.5)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE		(13.4)
NET INCOME (LOSS)	$ 2.2	$ (24.9)
NET INCOME (LOSS) PER COMMON SHARE		
Basic and Diluted		
Continuing operations	$ .21	$ (.88)
Discontinued operation		(.24)
Cumulative effect of accounting change		(1.32)
Net income (loss)	$ .21	$ (2.44)
AVERAGE NUMBER OF SHARES (IN THOUSANDS)		
Basic	10,202	10,165
Diluted	10,335	10,165

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

	(In Millions)	
	March 31 2003	December 31 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 53.9	$ 61.8
Trade accounts receivable — net	4.7	14.1
Receivables from associated companies	6.1	9.0
Product inventories	148.8	111.2
Supplies and other inventories	66.7	73.2
Other	28.1	31.2
TOTAL CURRENT ASSETS	308.3	300.5
PROPERTIES	394.0	390.8
Allowances for depreciation and depletion	(118.5)	(111.9)
TOTAL PROPERTIES	275.5	278.9
INVESTMENTS IN ASSOCIATED IRON ORE VENTURES	1.3	1.5
OTHER ASSETS		
Long-term receivables	65.0	63.9
Intangible pension asset	31.7	31.7
Other investments	26.1	27.8
Deposits and miscellaneous	21.0	25.8
TOTAL OTHER ASSETS	143.8	149.2
TOTAL ASSETS	$ 728.9	$ 730.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 20.0	$ 20.0
Accounts payable	59.7	54.8
Accrued employment cost	54.9	60.1
Accrued expenses	15.8	17.6
Payables to associated companies	13.1	14.1
State and local taxes	11.1	13.2
Environmental and mine closure obligations	9.3	9.8
Other	16.9	15.2
TOTAL CURRENT LIABILITIES	200.8	204.8
LONG-TERM DEBT	35.0	35.0
PENSIONS, INCLUDING MINIMUM PENSION LIABILITY	156.6	151.3
OTHER POST-RETIREMENT BENEFITS	111.1	109.1
ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS	84.8	84.7
OTHER LIABILITIES	40.5	46.0
TOTAL LIABILITIES	628.8	630.9
MINORITY INTEREST	16.9	19.9
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	67.5	69.7
Retained income	290.6	288.4
Accumulated other comprehensive loss, net of tax	(110.7)	(110.7)
Cost of 6,504,520 Common Shares in treasury (2002 - 6,643,730 shares)	(179.1)	(182.2)
Unearned compensation	(1.9)	(2.7)
TOTAL SHAREHOLDERS' EQUITY	83.2	79.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 728.9	$ 730.1

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	
	2003	**2002**
CASH FLOW FROM CONTINUING OPERATIONS		
OPERATING ACTIVITIES		
Income (loss) from continuing operations	$ 2.2	$ (8.9)
Depreciation and amortization:		
Consolidated	6.8	5.1
Share of associated companies	.9	2.1
Deferred income taxes		2.8
Gain on sale of assets	(4.9)	(2.5)
Other	.3	(3.3)
Total before changes in operating assets and liabilities	5.3	(4.7)
Changes in operating assets and liabilities	(15.1)	(25.5)
Net cash used by operating activities	(9.8)	(30.2)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated	(3.9)	(4.2)
Share of associated companies		(.6)
Investment in power-related joint venture		(6.0)
Proceeds from sale of assets	5.4	2.5
Net cash from (used by) investing activities	1.5	(8.3)
FINANCING ACTIVITIES		
Contributions by minority shareholder	.4	.6
Net cash from financing activities	.4	.6
CASH USED BY CONTINUING OPERATIONS	(7.9)	(37.9)
CASH USED BY DISCONTINUED OPERATION		(3.8)
DECREASE IN CASH AND CASH EQUIVALENTS	(7.9)	(41.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	61.8	183.8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 53.9	$ 142.1

See notes to consolidated financial statements.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2003

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 2002 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 accounting principles generally accepted in the United States.

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. On an on-going basis, management evaluates its estimates and assumptions, including those related to revenue recognition, valuation of inventories, valuation of long-lived assets, post-employment benefits, income taxes, litigation and environmental liabilities. Management bases its estimates on historical experience, current business conditions and expectations and on various other assumptions it believes are reasonable under the circumstances. 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: Tilden Mining Company L.C. ("Tilden") in Michigan, consolidated since January 31, 2002, when the Company increased its ownership from 40 percent to 85 percent; Empire Iron Mining Partnership ("Empire") in Michigan, consolidated effective December 31, 2002, when the Company increased its ownership from 35 percent to 79 percent; and 100 percent of Wabush Iron Co. Limited ("Wabush Iron"), consolidated since August 29, 2002 when Acme Steel Company rejected its interest in Wabush Iron. Wabush Iron owns a 26.83 percent interest in the Wabush Mines Joint Venture ("Wabush") in Canada.

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 POLICIES

Stock Compensation

Effective January 1, 2003, the Company adopted the fair value method, which is considered the preferable accounting method, of recording stock-based employee compensation as contained in SFAS No. 123, "Accounting for Stock-Based Compensation." As prescribed in SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," the Company elected to use the "prospective method." The prospective method requires expense to be recognized for all awards granted, modified or settled beginning in the year of adoption. Historically, the Company applied the intrinsic method as provided in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations and accordingly, no compensation cost had been recognized for stock options in prior years.

As a result of adopting the fair value method for stock options, all future awards will be expensed over the stock options vesting period. The Company expects that adoption will not have a significant financial effect in 2003.

The following illustrates the pro forma effect on net income and earnings per share as if the Company had applied the fair value recognition provisions of SFAS No. 123 to all awards unvested in each period.

	(In Millions, Except Per Share)	
	First Three Months	
	2003	2002
Net income (loss) as reported	$ 2.2	$ (24.9)
Stock-based employee compensation:		
Add expense included in reported results	1.0	1.0
Deduct fair value based method	(1.3)	(1.4)
Pro forma net income (loss)	$ 1.9	$ (25.3)
Earnings (loss) per share:		
Basic and diluted -as reported	$ .21	$ (2.44)
-pro forma	$ .21	$ (2.49)

Income Taxes

Income taxes are based on income (loss) for financial reporting purposes and reflect a current tax liability (asset) for the estimated taxes payable (recoverable) in the current year tax return and changes in deferred taxes. Deferred tax assets or liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax laws and rates. A valuation allowance (Note F) is provided on deferred tax assets in recognition of uncertainty regarding full realization.

NOTE C — REVENUE RECOGNITION

Revenue is recognized on sales of products when title has transferred and on services when performed. Revenue for the first three months of the year from product sales and services includes reimbursement for freight charges ($11.6 – 2003; $1.1 million – 2002) paid on behalf of customers, and cost reimbursement ($9.2 million – 2003; $6.0 million – 2002) from minority interest partners for their contractual share of mine costs. Royalty and management fee revenue from venture participants is recognized on production.

NOTE D — ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS

At March 31, 2003, the Company, including its share of unconsolidated ventures, had environmental and mine closure liabilities of $95.2 million, of which $9.3 million was classified as current. Payments in 2003 were $1.2 million (2002 — $1.1 million). Following is a summary of the obligations:

	(In Millions)	
	March 31 2003	December 31 2002
Environmental	$ 17.8	$ 18.3
Mine Closure		
LTV Steel Mining Company	40.5	41.1
Operating Mines	36.9	36.1
Total mine closure	77.4	77.2
Total environmental and mine closure	$ 95.2	$ 95.5

Environmental

The Company's environmental liabilities of $17.8 million, including obligations for known environmental remediation exposures at active and closed mining operations and other sites, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no specific amount being most likely, the minimum of the range is accrued in accordance with SFAS No. 5. Future expenditures are not discounted, and potential insurance recoveries have not been reflected. Additional environmental exposures could be incurred, the extent of which cannot be assessed.

The environmental liability includes the Company's obligations related to six sites which are independent of the Company's iron mining operations. These include State and Clean Water Act sites where the Company is named as a potentially responsible party, the Rio Tinto mine site in Nevada, where significant site cleanup activities have taken place, and the Kipling and Deer Lake sites in Michigan.

Also, the environmental obligation includes non-operating locations in Michigan, including eight former iron ore-related sites and eight leased land sites and miscellaneous remediation obligations at the Company's operating units.

Mine Closure

The mine closure obligation of $77.4 million represents the accrued obligation at March 31, 2003 for a closed operation formerly known as the LTV Steel Mining Company, and for the Company's five operating mines. The closed operation obligation results from an October 2001 transaction where subsidiaries of the Company received a net payment of $50 million and certain other assets and assumed environmental and certain facility closure obligations of $50 million, which obligations have declined to $40.5 million at March 31, 2003 as a result of expenditures totaling $9.5 million since 2001.

The accrued closure obligation for the Company's active mining operations of $36.9 million at March 31, 2003 ($36.1 million at December 31, 2002) reflects the adoption of SFAS No. 143 in 2002, to provide for contractual and legal obligations associated with the eventual closure of the mining operations and the effects of mine ownership increases during 2002. The Company determined the obligations, based on detailed estimates, adjusted for factors that an outside third party would consider (i.e., inflation, overhead and profit), escalated to the estimated closure dates, and then discounted using a credit adjusted risk-free interest rate of 10.25 percent. The closure date for each location was determined based on the exhaustion date of the remaining economic iron ore reserves. The accretion of the liability will be recognized over the estimated mine lives for each location. The expense recorded in the first three months of 2003 was $.8 million. There were no expenditures in the first three months of 2003.

NOTE E — SEGMENT REPORTING

The Company operated in one reportable segment in 2003 and 2002 offering iron products and services to the steel industry. The Ferrous Metallics segment, which included a hot briquetted iron project in Trinidad and Tobago, was discontinued in 2002 and is being reported as a discontinued operation, see Note H – Discontinued Operation.

NOTE F — INCOME TAXES

In the second half of 2002, the Company provided a valuation allowance to fully reserve its net deferred tax assets, in recognition of uncertainty regarding their realization. Through the first quarter of 2003, the Company increased its deferred tax valuation allowance by $1.9 million to $122.5 million to offset comparable increases in its net deferred tax assets. The Company recorded income tax expense of $1.1 million in the first quarter 2003 to recognize estimated federal alternative minimum tax liability for 2003. The Company's reserved deferred tax assets include significant net operating loss carryforwards for regular income tax, but no operating loss carryforwards for alternative minimum tax.

Based on evidence that it is more likely than not that some or all of its net deferred tax assets will be realized, a reversal of the valuation allowance will be made. This reversal will increase income in the period such determination is made.

NOTE G – LEASE OBLIGATIONS

The Company and its ventures lease certain mining, production and other equipment under operating and capital leases. Future minimum payments under capital leases and non-cancellable operating leases, including the Company's share of ventures, at March 31, 2003 are expected to be:

	In Millions			
	Company Share		Total	
	Capital Leases	Operating Leases	Capital Leases	Operating Leases
2003 (April 1 – December 31)	$ 3.0	$ 18.7	$ 5.0	$ 34.6
2004	3.3	19.3	5.2	35.2
2005	2.0	15.4	3.0	25.6
2006	2.0	10.7	2.6	17.1
2007	2.8	6.9	3.1	9.9
2008 and thereafter	1.1	10.8	1.1	11.4
Total minimum lease payments	14.2	$ 81.8	20.0	$ 133.8
Amounts representing interest	(2.5)		(3.0)	
Present value of net minimum lease payments	$11.7		$17.0	

The Company's share, $96.0 million, of total minimum operating and capital lease payments is comprised of the Company's direct obligation of $77.5 million and the Company's share of ventures' obligations of $18.5 million.

NOTE H – DISCONTINUED OPERATION

In the fourth quarter of 2002, the Company exited the ferrous metallics business and abandoned its 82 percent interest in Cliffs and Associates Limited ("CAL"), an HBI facility located in Trinidad and Tobago, and accordingly wrote off the carrying value of its investment in CAL.

In the first three months of 2002, the Company recorded expense of $2.6 million net of minority interest relating to CAL. No expense was recorded in the first quarter 2003.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPARISON OF FIRST QUARTER — 2003 AND 2002

Net income was $2.2 million, or $.21 per share (all per share earnings are "diluted earnings per share" unless stated otherwise) in the first quarter of 2003. In the first three months of 2002, the Company had a loss of $8.9 million, or $.88 per share, before the loss from a discontinued operation and a charge relating to the cumulative effect of the accounting change relating to adoption of SFAS No. 143, "Accounting for Asset Retirement Obligations." Following is a summary of results:

	(In Millions, Except Per Share) First Quarter	
	2003	2002
Income (loss) from continuing operations:		
Amount	$ 2.2	$ (8.9)
Per share	.21	(.88)
Loss from discontinued operation:		
Amount		(2.6)
Per share		(.24)
Cumulative effect of accounting change:		
Amount		(13.4)
Per share		(1.32)
Net income (loss):		
Amount	$ 2.2	$ (24.9)
Per share	$ .21	$ (2.44)

Net income was $2.2 million in the first quarter of 2003, an earnings improvement of $11.1 million from the loss from continuing operations of $8.9 million for the first three months of 2002. The improvement was primarily due to an improved sales margin, mainly reflecting higher sales and production volume, summarized as follows:

	(In Millions) First Quarter		
	2003	2002	Increase
Sales (tons)	3.5	1.3	2.2
Revenue from product sales and services*	$122.9	$ 47.9	$ 75.0
Cost of goods sold and operating expenses*	122.8	62.0	60.8
Sales margin (loss)	$ .1	$(14.1)	$ 14.2

- Excludes revenues and cost of goods sold and operating expenses related to freight and minority interests.

The gross margin of $.1 million in 2003 was $14.2 million higher than 2002. The improvement was principally due to production curtailment costs ($13.8 million) included in 2002 margin partly offset by higher operating costs. High energy costs had a significant unfavorable impact on mine operating costs of approximately $5.0 million in the first quarter 2003, particularly at the Minnesota mining operations, which cannot use coal in the pelletizing process. First quarter results were negatively impacted in both periods due to period expenses being charged to cost of goods sold and operating expense when product inventory increased.

Royalties and management fees from partners increased $1.0 million primarily due to Empire Mine operating in 2003. Other income of $5.4 million was $2.1 million higher than first quarter 2002; the improvement was principally due to higher sales of non-strategic lands in Michigan. Asset sales are opportunistic and are not expected to continue at a comparable rate for the balance of the year. Administrative, selling and general expenses were $.9 million higher in the first three months of 2003 compared to the same period in 2002 primarily due to higher employee benefits. Interest expense was $.7 million lower in 2003 reflecting a lower principal balance on the Company's long-term debt and the repayment of the credit facility in October 2002. Interest income of $2.7 million was $1.6 million higher than the same period last year; the increase was mainly due to interest on the long-term receivable from a subsidiary of Ispat Inland Inc.

The Company's share of first quarter production was 4.5 million tons in 2003, 1.9 million tons above last year's first quarter. Total iron ore pellet production at the Company's managed mines increased to 7.3 million tons in the first quarter of 2003 from 4.6 million tons in 2002. Production for the full year is expected to exceed 32 million tons, with the Company's share expected to be about 20 million tons.

The significant increase in the Company's share of production is mainly due to increased mine ownerships, Empire Mine operating in the first quarter of 2003 (idle in first quarter 2002), and higher Northshore Mining Company production.

Pellet sales were a first quarter record of 3.5 million tons in 2003, a 2.2 million ton increase from first quarter 2002, with approximately two-thirds of the sales increase resulting from sales to International Steel Group Inc. While there is uncertainty regarding the pellet requirements of customers, sales volume for 2003 is currently forecasted to be a record 20 million tons in 2003 compared to 15 million tons sold in 2002. The increase in tons sold in the quarter and expected full year is due to the Company's new business model, whereby the Company has repositioned itself from a manager of iron ore mines on behalf of steel company owners to primarily a merchant of iron ore to steel customers by entering into long-term pellet sales contracts, supported by increased mine ownerships, and increases in consignment inventory at steel company sites.

The Company's share of capital expenditures at the five mining ventures and supporting operations is expected to approximate $33 million in 2003, with $3.9 million having occurred through March 31, 2003.

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2003, the Company had cash and cash equivalents of $53.9 million. Following is a summary of cash activity:

	(In Millions)
Increased product inventories	$ (37.6)
Capital expenditures	(3.9)
Decreased receivables	11.2
Decreased supplies and other inventories	6.5
Proceeds from sale of assets	5.4
Net cash from operating activities	5.3
Other	5.2
Decrease in cash and cash equivalents	(7.9)
Cash and cash equivalents at beginning of period	61.8
Cash and cash equivalents at end of period	$ 53.9

At the end of March, there were 5.0 million tons of pellets in inventory at a cost of $148.8 million, an increase of 1.1 million tons, from December 31, 2002, reflecting increased mine ownerships and increased consignment inventory at steel company sites. Pellet inventory at March 31, 2002 was 4.2 million tons, or $126.3 million.

At March 31, 2003, long-term debt of the Company consisted of $55 million of senior unsecured notes with an interest rate of 7.0 percent through December 15, 2003, 9.5 percent from December 15, 2003 through December 14, 2004 and 10.5 percent from December 14, 2004 to maturity of the agreement on December 15, 2005. The notes have scheduled repayments of $20 million in December 2003, $20 million in December 2004, and $15 million in December 2005. Scheduled payments may be accelerated for realization of excess cash flows and asset sales above certain levels; the notes may be paid off at any time without penalty. The Company was in compliance with the loan covenants, the most restrictive of which is a minimum EBITDA measurement that the Company exceeded by more than $9.0 million at March 31, 2003. The fair value of the Company's long-term debt approximated the carrying value of $55 million at March 31, 2003 based on a discounted cash flow analysis utilizing estimated current borrowing rates. Additionally, in March 2003, the Company entered into a 364-day unsecured revolving credit facility in the amount of $20.0 million. Covenants on the facility are consistent with the covenants on the term notes. No borrowings are outstanding under this agreement.

Anticipated cash flows and current financial resources are expected to meet the Company's anticipated needs.

Following is a summary of common shares outstanding:

	2003	2002	2001
March 31	10,323,421	10,180,849	10,143,272
June 30		10,184,846	10,148,939
September 30		10,185,083	10,143,509
December 31		10,184,211	10,141,953

PENSIONS AND OTHER POSTRETIREMENT BENEFITS

The Company and its mining ventures sponsor defined benefit pension plans covering substantially all employees. These plans are largely noncontributory, and benefits are generally based on employees' years of service and average earnings for a defined period prior to retirement. Additionally, the Company and its ventures provide retirement health care ("OPEB") to most full-time employees who meet certain length of service and age requirements. Due to the significantly rising costs associated with these plans, effective July 1, 2003, the Company will implement changes to U.S. salaried employee plans to reduce costs by more than an estimated $8.0 million on an annualized basis. Benefits under the current defined benefit formula will be frozen for affected U.S. salaried employees and a new cash balance formula will be instituted. Increases in affected U.S. salaried retiree healthcare co-pays will become effective for retirements after June 30, 2003. A cap on the Company's share of annual medical premiums will also be implemented for existing and future U.S. salaried retirees. The foregoing does not reflect any modifications to bargaining unit plans, which contracts expire in 2004.

Following is a summary of pension and OPEB funding and expense for years 2002, expected 2003 and estimated 2004 for the Company and its share of plans of its ventures, which reflect the impact of the salaried benefit changes:

	(In Millions)			
	Pension		OPEB	
	Funding	Expense	Funding	Expense
2002	$ 1.1	$ 7.2	$16.8	$21.5
2003 (Expected)	2.8	27.1	21.6	30.7
2004 (Estimated)	10.5	31.5	25.4	32.0

MARKET RISKS

The Company is subject to a variety of risks including, among others, changes in commodity prices and foreign currency exchange rates. The Company has established policies and procedures to manage such risks.

The Company's mining ventures enter into forward contracts for the purchase of natural gas as a hedge against price volatility. Such contracts, which are in quantities expected to be delivered and used in the production process, are a means to limit exposure to price fluctuations. At March 31, 2003 the notional amounts of the outstanding forward contracts were $3.2 million (Company share $2.6 million), with an

unrecognized fair value gain of $.4 million (Company share $.3 million) based on March 31, 2003 forward rates. The contracts mature in April 2003.

As a result of significantly escalating oil prices, and as a hedge against continuing price increases, the Company, in February 2003, entered into a derivative financial instrument with call and put options ("collar") as a hedge of forecasted purchases of diesel fuel. The Company holds and issues such derivatives only for the purpose of hedging such risks and not for speculation. When entered into, the collar was for a three month period ending April 2003. The collar, with respect to one million gallons of No. 2 low sulfur diesel fuel, locks in the value within a price range of $.96 to $1.13 per gallon. As a result of a decrease in prices, a fair value loss of $.3 million was recognized in "cost of goods sold and operating expenses."

A portion of the Company's operating costs related to Wabush Mines are subject to change in the value of the Canadian dollar; the Company does not hedge its exposure to changes in the Canadian dollar.

STRATEGIC INVESTMENTS

The Company is pursuing investment opportunities to broaden its scope as a supplier of iron ore pellets to the integrated steel industry through acquisition of additional mining interests. 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 or other sources of funding to make investments.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of financial condition and results of operations is based on the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Preparation of financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the related disclosures of contingencies. Management bases its estimates on various assumptions and historical experience which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. Management believes that the following critical accounting policies and practices incorporate estimates and judgments that have the most significant impact on the Company's financial statements.

Iron Ore Reserves

The Company regularly evaluates its economic iron ore reserves and updates them as required in accordance with SEC Industry Guide 7. The estimated mineral reserves could be significantly affected by future industry conditions, iron ore pricing, production costs, geological conditions and ongoing mine planning. Maintenance of effective production capacity or the mineral reserve could require increases in capital

and development expenditures. Alternatively, changes in economic conditions, or the expected quality of ore reserves could decrease capacity or mineral reserves. Technological progress could alleviate such factors or increase capacity or mineral reserves. Significant reductions were made to the ore reserves at Empire and Wabush Mines in the fourth quarter of 2002 due to increasing mining and processing costs. The Company's uses its ore reserve estimates to determine the mine closure dates utilized in recording the fair value liability for asset retirement obligations. See Note D – "Environmental and Mine Closure Obligations" (Mine Closure) in the Notes to Consolidated Financial Statements. Since the liability represents the present value of the expected future obligation, a significant change in ore reserves would have a substantial effect on the recorded obligation. The Company also utilizes economic ore reserves for evaluating potential impairments of mine assets and in determining maximum useful lives utilized to calculate depreciation and amortization of long-lived mine assets. Decreases in ore reserves could significantly affect these items.

Asset Retirement Obligations

The accrued mine closure obligations for the Company's active mining operations reflect the adoption of SFAS No. 143 effective January 1, 2002 to provide for contractual and legal obligations associated with the eventual closure of the mining operations. The Company's obligations are determined based on detailed estimates adjusted for factors that an outside party would consider (i.e., inflation; overhead and profit), which were escalated (at an assumed 3 percent) to the estimated closure dates, and then discounted using a credit adjusted risk free interest rate of 10.25 percent. The closure date for each location was determined based on the exhaustion date of the remaining iron ore reserves. The estimated obligations are particularly sensitive to the impact of changes in mine lives given the difference between the inflation and discount rates. Changes in the base estimates of legal and contractual closure costs due to changed legal or contractual requirements, available technology, inflation, overhead or profit rates would also have a significant impact on the recorded obligations. See Note D – "Environmental and Mine Closure Obligations" in the Notes to Consolidated Financial Statements.

Asset Impairment

The Company monitors conditions that indicate that the carrying value of an asset or asset group may be impaired. The Company determines impairment based on the asset's ability to generate cash flow greater than its carrying value, utilizing an undiscounted probability-weighted analysis. If the analysis indicates the asset is impaired, the carrying value is adjusted to fair value. The impairment analysis and fair value determination can result in significantly different outcomes based on critical assumptions and estimates including the quantity and quality of remaining economic ore reserves, and future iron ore prices and production costs.

Environmental Remediation Costs

The Company has a formal code of environmental protection and restoration. The Company's obligations for known environmental problems at active and closed mining operations and other sites have been recognized based on estimates of the cost

of investigation and remediation at end site. If the estimate can only be estimated as a range of possible amounts, with no specific amount being most likely, the minimum of the range is accrued. Management reviews its environmental remediation sites quarterly to determine if additional cost adjustments or disclosures are required. The characteristics of environmental remediation obligations, where information concerning the nature and extent of clean-up activities is not immediately available, or changes in regulatory requirements, result in a significant risk of increase to the obligations as they mature. Expected future expenditures are not discounted to present value. Potential insurance recoveries are not recognized until realized.

Employee Retirement Benefit Obligations

Assumptions used in determining the benefit obligations and the value of plan assets for defined benefit pension plans and postretirement benefit plans (primarily retiree healthcare benefits) offered by the Company and its ventures, are evaluated periodically by management in conjunction with outside actuaries. Critical assumptions such as the discount rate, used to measure the benefit obligations, the expected long-term rate of return on plan assets, and the medical care cost trend are reviewed annually. Changes in actuarial assumptions, including discount rates, employee retirement rates, mortality, compensation levels, plan asset investment performance, and healthcare costs are determined in conjunction with outside actuaries. Changes in actuarial assumptions and/or investment performance of plan assets can have a significant impact on the Company's financial condition due to the magnitude of the Company's retirement obligations. See "Pensions and Other Postretirement Benefits" in this section.

Income Taxes

Income taxes are based on income (loss) for financial reporting purposes and reflect a current tax liability (asset) for the estimated taxes payable (recoverable) in the current year tax return and changes in deferred taxes. Deferred tax assets or liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax laws and rates. The Company recorded a valuation allowance in 2002 for its net deferred tax assets and net loss carryforwards in recognition of the uncertainty of their realization. In making the determination to record the valuation allowance, management considered the likelihood future taxable income and feasible and prudent tax planning strategies to realize deferred tax assets. In the future, if the Company determines that it expects to realize more or less of the deferred tax assets, an adjustment to the valuation allowance will affect income in the period such determination is made. See Note F – "Income Taxes" in the Notes to Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

Cautionary Statements

Certain expectations and projections regarding future performance of the Company referenced in this report are forward-looking statements. These expectations and projections are based on currently available financial, economic and competitive data, along with the Company's operating plans, and are subject to certain future events and uncertainties. We caution readers that in addition to factors described elsewhere in this report, the following factors, among others, could cause the Company's actual results in 2003 and thereafter to differ significantly from those expressed.

Steel Company Customers: More than 95 percent of the Company's revenue is derived from the North American integrated steel industry, consisting of fourteen current or potential customers. Of the fourteen companies (not all of whom are current customers or partners of the Company), three companies are in reorganization, and certain others have experienced financial difficulties. The Company's sales are concentrated with a relatively few number of customers. Loss of major sales contracts or the failure of customers to perform under existing arrangements due to financial difficulties could adversely affect the Company. Rejection of major contracts and/or partner agreements by customers and/or partners under provisions related to bankruptcy/reorganization represents a major uncertainty.

Demand for Iron Ore Pellets: Demand for iron ore is a function of the operating rates for the blast furnaces of North American steel companies. The restructuring of the steel industry is likely to result in a reduction of integrated steelmaking capacity over time, and thereby reduce iron ore consumption. Demand for iron ore can be displaced by lower iron production in North America due to imports of finished and semi-finished steel, replacement by electric furnace production, or insufficient resources to reline or adequately maintain blast furnaces. Most of the Company's sales contracts are requirements-based or provide for flexibility of volume above a minimum level.

Mine Operating Risks: The Company's iron ore operations are volume sensitive with a portion of its costs fixed irrespective of current operating levels. Iron ore operations can be affected by unanticipated geological conditions, ore processing changes, availability and cost of key components of production (e.g., labor, electric power and fuel), and weather conditions (e.g., extreme winter weather and availability of process water due to drought).

Mine Closure Risks: Although ore reserves are long-lived, premature closure or reduced operating levels of an iron ore mine could accelerate significant employment legacy costs and environmental closure obligations, and result in asset impairment charges.

Litigation; Taxes; Environmental Exposures: The Company's operations are subject to various governmental, tax, environmental and other laws and regulations, and potentially to claims for various legal, environmental and tax matters. While the Company carries liability insurance which it believes to be appropriate to its businesses,

and has provided accounting reserves, in accordance with SFAS No. 5, for such matters which it believes to be adequate, an unanticipated liability or increase in a currently identified liability arising out of litigation, tax, or environmental proceeding could have a material adverse effect on the Company.

The Company has no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding Market Risk of the Company is presented under the caption “Market Risk” which is included in the Company’s 2002 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company’s Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of “disclosure controls and procedures” in Rule 13a-14(c). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and the Company’s Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on the foregoing, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective.

There have been no significant changes in the Company’s internal controls or in other factors that could significantly affect the internal controls subsequent to the date the Company completed its evaluation.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Pellestar

In February 2003, the Company received a General Notice of Potential Liability ("Notice") from the U.S. Environmental Protection Agency ("EPA") with respect to the Pellestar site, located in Negaunee Township, Marquette County, Michigan ("Site"). EPA advised that the Company is considered to be a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). The Company, through a subsidiary, owned the Site from 1955 to 1986, at which time the Site was sold. During the period that the Company owned the Site, the Company operated a pilot plant facility for research and development activities on different pelletizing processes. The Company is one of a number of PRPs. The EPA has estimated the cleanup costs at the Site as being approximately $1 million. The Company is currently evaluating the facts and law as it relates to the Site to determine the Company's liability and responsibility, if any, for the cleanup of the Site.

Item 2. Changes in Securities and Use of Proceeds

(a) On January 31, 2003 and February 3, 2003, pursuant to the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan ("VNQDC"), the Company sold 135 shares and 2,468 shares of common stock, par value $1.00 per share, of Cleveland-Cliffs Inc ("Common Shares") for an aggregate consideration of $52,751.63 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 officer and one managerial employee under the VNQDC Plan.

(b) On February 3, 2003, the Company determined to pay the annual bonuses earned by participants under the Company's Management Performance Incentive Plan ("Plan") for services rendered during 2002 in the form of 50% cash and 50% 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 $20.26 per share on February 3, 2003, (the date of payment of the Stock Bonus Awards), was used to determine the number of Common Shares issued and a total of 65 participants under the Plan received 80,466 Common Shares having an aggregate value of $1,630,241.16.

Item 15. Exhibits and Reports on Form 8-K

(a) List of Exhibits — Refer to Exhibit Index on page 25.

(b) During the first quarter of 2003, the Company filed Current Reports on Form 8-K, dated January 2, January 13, January 29, and March 19, 2003, covering information reported under Item 9. Regulation FD Disclosure. The Company also filed Current Reports on Form 8-K dated April 8, 2003 covering information reported under Item 9. Regulation FD Disclosure; and dated April 23, 2003 covering information reported underItem 9. Regulation FD Disclosure but furnished pursuant to Item 12. Results of Operations and Financial Condition in accordance with SEC Release No. 33-8216. 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 24, 2003

By /s/ C. B. Bezik

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

CERTIFICATION

I, John S. Brinzo, certify that:

1. I have reviewed the quarterly report on Form 10-Q of Cleveland-Cliffs Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

By /s/ John S. Brinzo

John S. Brinzo
Chairman and Chief Executive Officer

CERTIFICATION

I, Cynthia B. Bezik, certify that:

1. I have reviewed the quarterly report on Form 10-Q of Cleveland-Cliffs Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 24, 2003

By /s/ Cynthia B. Bezik

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

EXHIBIT INDEX

Exhibit Number	Exhibit	
4(a)	Second Amendment, effective as of March 14, 2003, to Note Agreements dated as of December 15, 1995, among Cleveland-Cliffs Inc and the Purchasers named on Schedule I attached thereto	Filed Herewith
4(b)	Credit Agreement, dated as of March 14, 2003, between Cleveland-Cliffs Inc and Fifth Third Bank	Filed Herewith
4(c)	Guarantee Agreement, dated as of March 14, 2003, among certain subsidiaries of Cleveland-Cliffs Inc and Fifth Third Bank	Filed Herewith
10(a)	*Second Amendment to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors, dated as of January 14, 2003	Filed Herewith
10(b)	*Second Amendment to the Cleveland-Cliffs Inc Nonemployee Directors Supplemental Compensation Plan, dated as of January 14, 2003	Filed Herewith
99(a)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by John S. Brinzo as of April 24, 2003	Filed Herewith
99(b)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Cynthia B. Bezik as of April 24, 2003	Filed Herewith

* Reflects management contract or other compensatory arrangement required to be filed as an Exhibit pursuant to Item 14(c) of this Report

Exhibit 4(a)

EXECUTION COPY

==========

SECOND AMENDMENT AGREEMENT

Dated as of March 14, 2003

TO

Re: Note Agreements Dated as of December 15, 1995

==========

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

Dated as of
March 14, 2003

To each of the holders
listed in Schedule I to
this Second Amendment Agreement

Ladies and Gentlemen:

Reference is made to the separate Note Agreements each dated as of December 15, 1995, as amended by the First Amendment Agreement dated as of December 15, 2002 among Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and each of you (the "Existing Note Agreements," as amended hereby, the "Note Agreements") and (ii) the $55,000,000 aggregate principal amount of 7.00% Senior Notes due December 15, 2005 of the Company (the "Notes").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company requests the amendment of certain provisions of the Existing Note Agreements as hereinafter provided.

Upon your acceptance hereof in the manner hereinafter provided and upon satisfaction of all conditions to the effectiveness hereof and receipt by the Company of similar acceptances from the Required Holders, this Second Amendment Agreement shall constitute a contract between us amending the Existing Note Agreements as of March 14, 2003, but only in the respects hereinafter set forth:

SECTION 1. CONSENT TO BANK FACILITY.

Each of the undersigned holders, severally, consents to the Company entering into the Bank Facility, in the form attached hereto as Exhibit A.

SECTION 2. AMENDMENTS TO EXISTING NOTE AGREEMENTS.

Section 2.1. Amendment to Section 5.10. Section 5.10 of the Existing Note Purchase Agreements shall be and is hereby amended by deleting the last paragraph thereof and replacing it as follows:

For the purpose of making any determination of "substantial part," any sale, lease or other dispositions of assets of the Company and its Subsidiaries shall not be included if the net proceeds are segregated from the general accounts of the Company or any Subsidiary and within six months in the case of clause (1) below and twelve months in the case of clause (2) below, after such sale, lease or other disposition such net proceeds are (1) applied to capital expenditures in respect of maintenance and not in respect of expansion, or (2) except to the extent that the net proceeds are required to be applied to the payment of any Debt secured by a Lien on such assets,

offered by the Company pursuant to a written offer to the Bank and the holders of Notes to apply such net proceeds on a pro rata basis to the permanent reduction of the Commitment under the Bank Facility and to the prepayment of the unpaid principal amount of the Notes, at par and without Make-Whole Amount together with accrued and unpaid interest to the date of payment, which date of payment shall not be more than 45 or less than 30 days after the date of such written offer. Each such offer shall be made to the Banks and all holders of Notes on a pro rata basis based on the aggregate unpaid principal amount outstanding under the Bank Facility and on the unpaid principal amount of each holders' respective Notes and shall specify the principal amount offered to be prepaid in the aggregate, the principal amount of each Note offered to be prepaid and the interest to be paid on the prepayment date with respect to such principal amount then being offered to be prepaid. In the event that any holder of Notes wishes to accept such offer of prepayment, it shall send written notice of such acceptance to the Company within 15 days following receipt of the initial Company offer. In the event one or more holders of Notes fail to accept such offer, the Company shall offer, within 5 days after the end of the aforementioned 15 day period, to each holder, if any, who has timely accepted the Company's initial offer of prepayment in respect of its Notes pursuant to this ss.5.10, to prepay, on a pro rata basis (based on the respect of unpaid principal amount of Notes of such holders who have timely accepted the initial offer) among all holders who accepted the initial offer, an aggregate principal amount of Notes equal to the aggregate principal amount of Notes offered to holders who failed to timely accept the initial offer of prepayment pursuant to ss.5.10. The holders receiving such second offer, if any, shall have the right to accept such offer by written notice to the Company within 5 days after receipt of such second offer by the Company. The Company will prepay the aggregate principal amount of Notes required to be paid pursuant to the foregoing provisions of this ss.5.10 on the date originally designated in the first offer of prepayment to all holders who have timely accepted the offers required to be made by the Company hereinafter together with accrued and unpaid interest to the date of prepayment.

Section 2.2. Amendment to Section 5.15. The "." at the end of Section 5.15(i) of the Existing Note Purchase Agreements shall be replaced by "and" and a new section (j) shall be inserted after Section 5.15(i) of the Existing Note Purchase Agreements to read as follows:

(j) Other Reports and Filings. All information and other

items which the Company or any of its Subsidiaries is required to deliver to the Banks pursuant to Section 6.1 of the Bank Facility concurrently with the delivery thereof to the Banks, except to the extent such information or other item is duplicative of information being furnished hereunder.

Section 2.3. Amendment to Section 5.21. The following shall be added to the end of Section 5.21 of the Existing Note Purchase Agreements:

(c) On or before April 17, 2003, the Company shall have delivered to the holders of the Notes a legal opinion of independent counsel substantially identical in scope and substance to the opinion of Warner Norcross & Judd LLP delivered in connection with the First Amendment Agreement to cover Republic Wetlands Preserve LLC, a Michigan limited liability company.

Section 2.4. New Sections 5.22, 5.23, 5.24 and 5.25. The following shall be added at the end of Section 5 of the Existing Note Purchase Agreements:

Section 5.22. Limitation on Restrictions. If and so long as the Bank Facility has not been fully terminated in all respects, except as provided in the Bank Facility, the Company will not, and it will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction on the ability of any such Subsidiary to (a) pay dividends or make any other distributions on its capital stock or other equity interests owned by the Company or any other Subsidiary, (b) pay or repay any Indebtedness owed to the Company or any other Subsidiary, (c) make loans or advances to the Company or any other Subsidiary, (d) transfer any of its Property to the Company or any other Subsidiary, (e) encumber or pledge any of its assets to or for the benefit of any party or (f) guaranty the Obligations.

Section 5.23. Minimum Consolidated Adjusted Net Worth. If and so long as the Bank Facility has not been fully terminated in all respects, the Company will at all times keep and maintain Consolidated Adjusted Net Worth at an amount not less than $69,300,000; provided, however, the Company may take or incur non-cash charges in respect of post-retirement benefits in an aggregate amount not to exceed $25,000,000 so long as the amount of Consolidated Adjusted Net Worth of the Company immediately after giving effect to such non-cash charges shall not be less than $44,300,000 thereafter.

Section 5.24. Capital Expenditures. If and so long as the Bank Facility has not been fully terminated in all respects, the Company will not, nor shall it permit any Subsidiary to, expend or become obligated for capital expenditures (as determined in accordance with GAAP, but excluding any Permitted Investment) in an aggregate amount in excess of $35,000,000 during any fiscal year of the Company, provided that, in the event that, after the date hereof, the Company or any Subsidiary acquires any Subsidiary or otherwise increases its ownership interest in any existing Subsidiary, then the $35,000,000 amount shall be increased by that amount of any capital expenditures incurred by such Subsidiary attributable to such acquisition or increase in ownership interest that, as a result of such acquisition or increased interest, will, under GAAP, be consolidated with capital expenditures of the Company during the fiscal year at issue.

Section 5.25. Minimum Indebtedness Under Existing Agreements. The Company shall maintain a Commitment owing under the Bank Facility to the Banks party to such agreements in an amount not less than $20,000,000, except for (i) termination of the Bank Facility in accordance with its terms on March 14, 2004, (ii) reductions to the Commitment whereunder a pro rata amount of the unpaid principal amount of the Notes are concurrently prepaid pursuant to Sections 2.2, 2.3 or 2.8 hereof and (iii) any reduction or termination of the Bank Facility, provided, that (x) at the time thereof and after giving effect thereto, no Default or Event of Default exists and (y) no Obligor shall have made any payment under the Bank Facility in connection with such termination or reduction or during the period of sixty (60) days immediately preceding such reduction or termination.

Section 2.5. Amendments to Section 6.1. Section 6.1(c) of the Existing

Note Purchase Agreement shall be amended by adding "of the Company or any Subsidiary" after the parenthetical phrase presently included therein and before the word "in". In addition, Section 6.1 shall be amended by replacing the "." at the end of Section 6.1(m) and replacing it with "; or" and by adding the following:

(n) an Event of Default (as defined in the Bank Facility) shall exist under the Bank Facility; or

(o) without limiting the rights of the Noteholders under Section 2.3, a Change of Control shall have occurred.

Section 2.6. Amendments to Section 8.1.

"Bank Facility" shall mean that certain Credit Agreement dated as of March 14, 2003 by and between the Company and Fifth Third Bank, attached hereto as Exhibit A which (i) has an aggregate commitment of not more than $20,000,000, (ii) is unsecured and subject to the Intercreditor Agreement, (iii) does not have the benefit of any Guaranty other than the Bank Facility Guaranty, and (iv) has been consented to by the Required Holders, as such agreement is in effect on the date hereof and without giving effect to any reductions, terminations or amendments after the date hereof except such reductions or termination permitted by Section 5.25.

"Consolidated Adjusted Net Worth" shall mean, at any date, the consolidated shareholders equity of the Company and its Subsidiaries as determined in accordance with GAAP.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Company or any Subsidiary to perform its obligations under any Financing Agreement, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Company or any Subsidiary of any Financing Agreement or the rights and remedies of the holders thereunder.

Section 2.7. Additions to Section 8.1. Section 8.1 of the Existing Note Agreements shall be and is hereby amended by adding the following definitions thereto in alphabetical order:

"Bank" shall mean Fifth Third Bank, an Ohio banking corporation, or any successor or assign under the Bank Facility.

"Commitment" shall have the meaning set forth in the Bank Facility.

"Obligations" shall have the meaning set forth in the Bank Facility.

"Permitted Investment" shall mean any investment permitted pursuant to subparts (k) or (l) of the definition of "Restricted Investment".

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

SECTION 3. CONDITIONS PRECEDENT.

Section 3.1. This Second Amendment Agreement shall not become effective until, and shall become effective on, the Business Day when each of the following conditions shall have been satisfied:

(a) Each holder shall have received this Second Amendment Agreement, duly executed by the Company.

(b) The Required Holders shall have consented to this Second Amendment Agreement as evidenced by their execution thereof.

(c) Each holder shall have received the Bank Facility, duly executed by all parties thereto. All closing conditions under the Bank Facility shall have been satisfied and all representations and warranties set forth in Section 5 of the Bank Facility shall be true and correct as of the effective date of this Second Amendment Agreement.

(d) Each holder shall have received a fully executed copy of the Intercreditor Agreement.

(e) The representations and warranties of the Company set

forth in Section 4 hereof shall be true and correct in all material respects as of the date of the execution and delivery of this Second Amendment Agreement.

(f) Any consents or approvals from any holder or holders of any outstanding security of the Company or any Subsidiary and any amendments of agreements pursuant to which any securities may have been issued which shall be necessary to permit the consummation of the transactions contemplated hereby shall have been obtained and all such consents or amendments shall be reasonably satisfactory in form and substance to the holders and their special counsel.

(g) Each holder shall have received such certificates of a secretarial officer of the Company as it may reasonably request with respect to this Second Amendment Agreement and the transactions contemplated hereby.

(h) Each holder shall have received the opinion of counsel for the Company covering the matters set forth in Exhibit B hereto and such other matters incident to the transactions contemplated hereby as the holders may reasonably request.

(i) The Company shall have paid the fees and disbursements of the holders' special counsel, Chapman and Cutler, incurred in connection with the negotiation, preparation, execution and delivery of this Second Amendment Agreement and the transactions contemplated hereby which fees and disbursements are reflected in the

statement of such special counsel delivered to the Company at the time of the execution and delivery of this Second Amendment Agreement. Upon receipt of any supplemental statement after the execution of this Second Amendment Agreement, the Company will pay such additional fees and disbursements of the holders' special counsel which were not reflected in its accounting records as of the time of the delivery of the initial statement of fees and disbursements.

(j) All corporate and other proceedings in connection with the transactions contemplated by this Second Amendment Agreement and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

SECTION 4. REPRESENTATIONS AND WARRANTIES.

The Company hereby represents and warrants that as of the date hereof and as of the date of execution and delivery of this Second Amendment Agreement:

(a) Each Obligor is duly incorporated, validly existing and in good standing under the laws of its state of incorporation.

(b) Each Obligor has the corporate power to own its property and to carry on its business as now being conducted.

(c) Each Obligor is duly qualified and in good standing as a foreign corporation authorized to do business in each jurisdiction in which the failure to do so would, individually or in the aggregate, have a material adverse effect on the business, condition (financial or other), assets, operations, properties or prospects of such Obligor.

(d) This Second Amendment Agreement and all other Financing Agreements and the transactions contemplated hereby are within the corporate powers of each Obligor, have been duly authorized by all necessary corporate action on the part of each Obligor and this Second Amendment Agreement and all other Financing Agreements have been duly executed and delivered by each Obligor and constitute legal, valid and binding obligations of each Obligor enforceable in accordance with their respective terms.

(e) The Company represents and warrants that immediately prior to and after giving effect to this Second Amendment Agreement and Bank Facility there are no Defaults or Events of Default under the Note Agreements.

(f) The execution, delivery and performance of this Second Amendment Agreement and all other Financing Agreements by each Obligor does not and will not result in a violation of or default under (A) the articles of incorporation or bylaws of such Obligor, (B) any material agreement to which such Obligor is a party or by which it is bound or

to which such Obligor or any of its properties is subject, (C) any material order,

writ, injunction or decree binding on such Obligor, or (D) any material statute, regulation, rule or other law applicable to such Obligor.

(g) No authorization, consent, approval, exemption or action by or notice to or filing with any court or administrative or governmental body (other than periodic filings with regulatory authorities, none of which are required to be filed as of the effective date of this Second Amendment Agreement) is required in connection with the execution and delivery of this Second Amendment Agreement or any other Financing Agreements or the consummation of the transactions contemplated thereby.

SECTION 5. MISCELLANEOUS.

Section 5.1. Except as amended herein, all terms and provisions of the Existing Note Agreements and related agreements and instruments are hereby ratified, confirmed and approved in all respects.

Section 5.2. Any and all notices, requests, certificates and other instruments, including the Notes, may refer to any of the Financing Agreements without making specific reference to this Second Amendment Agreement, but nevertheless all such references shall be deemed to include this Second Amendment Agreement unless the context shall otherwise require. Your acceptance hereof will also constitute your agreement that prior to any sale, assignment, transfer, pledge or other disposition by you of any Notes, you shall either (i) impose on the Notes so to be disposed of an appropriate endorsement referring to this Second Amendment Agreement as binding on the parties hereto and upon any and all future holders of such Notes or (ii) at your option at any time, surrender such Notes for new Notes of the same form and tenor as the Notes so surrendered but revised to contain express textual reference to this Second Amendment Agreement. All expenses for the preparation of such new Notes and the exchange for such new Notes are to be borne by the Company.

Section 5.3. This Second Amendment Agreement and all covenants herein contained shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereunder. All covenants made by the Company herein shall survive the closing and the delivery of this Second Amendment Agreement.

Section 5.4. This Second Amendment Agreement shall be governed by and construed in accordance with Illinois law.

Section 5.5. The capitalized terms used in this Second Amendment Agreement shall have the respective meanings specified in the Note Agreements unless otherwise herein defined, or the context hereof shall otherwise require.

The execution hereof by the holders shall constitute a contract among the Company and the holders for the uses and purposes hereinabove set forth. This Second Amendment Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

CLEVELAND-CLIFFS INC.

By /s/ Robert Emmet
Its Treasurer

Acknowledged and agreed to as of March 17, 2003.

"GUARANTORS"

CLEVELAND-CLIFFS ORE CORPORATION
THE CLEVELAND-CLIFFS IRON COMPANY

NORTHSHORE SALES COMPANY
WABUSH IRON CO. LIMITED
CLIFFS OIL SHALE CORP.
CLIFFS ERIE L.L.C.
CLIFFS MINING COMPANY
CLIFFS MINING SERVICES COMPANY
CLIFFS REDUCED IRON CORPORATION
CLIFFS REDUCED IRON MANAGEMENT COMPANY
IRONUNITS LLC
NORTHSHORE MINING COMPANY
SEIGNELAY RESOURCES, INC.
SILVER BAY POWER COMPANY
THE CLEVELAND-CLIFFS STEAMSHIP COMPANY
CLIFFS BIWABIK ORE CORPORATION
PICKANDS HIBBING CORPORATION
SYRACUSE MINING COMPANY
CLIFFS EMPIRE, INC.
CLIFFS IH EMPIRE, INC.
CLIFFS MARQUETTE, INC.
CLIFFS MC EMPIRE, INC.
CLIFFS TIOP, INC.
EMPIRE-CLIFFS PARTNERSHIP (assumed name for Cliffs Empire, Inc. and Cliffs MC Empire, Inc.)
MARQUETTE IRON MINING PARTNERSHIP (assumed name for Cliffs Marquette, Inc.)
WHEELING-PITTSBURGH/CLIFFS PARTNERSHIP (assumed name for Cliffs Empire, Inc., Cliffs IH Empire, Inc. and Wheeling-Empire Company)
CLIFFS SNYFUEL CORP.

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Treasurer

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY
and
LASCO DEVELOPMENT CORPORATION

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Assistant Treasurer

REPUBLIC WETLANDS PRESERVE LLC
By Marquette Iron Mining Partnership, its sole member
By: The Cleveland-Cliffs Iron Company, its manager

By /s/ Robert Emmet
Name: Robert Emmet
Title Treasurer

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

J. ROMEO & CO.

By /s/ R. Duffy
Name: R. Duffy
Title: A Partner

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

By: AIG Global Investment Corp.,
investment adviser

By /s/ Sarah Helmich
Name: Sarah Helmich
Title: Vice President

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

RELIASTAR LIFE INSURANCE COMPANY
F.K.A. NORTHERN LIFE INSURANCE COMPANY

By: ING Investment Management LLC, as Agent

By: /s/ James V. Wittich
Name: James V. Wittich
Title: Senior Vice President

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

FIRST ALLMERICA FINANCIAL LIFE INSURANCE COMPANY

By /s/ Scott C. Hyney
Name: Scott C. Hyney
Title: Assistant Vice President

ALLMERICA FINANCIAL LIFE INSURANCE AND ANNUITY COMPANY

By /s/ Scott C. Hyney
Name: Scott C. Hyney
Title: Assistant Vice President

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally

purchased by it pursuant to the Note Agreements.

SUN LIFE ASSURANCE COMPANY OF CANADA

By /s/ John N. Whelihan
Name: John N. Whelihan
Title: Vice President, U.S. Private Placements - For President

By /s/ Richard Gordon
Name: Richard Gordon
Title: Vice President, U.S. Public Bonds - For Secretary

SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)

By /s/ John N. Whelihan
Name: John N. Whelihan
Title: Vice President, U.S. Private Placements - For President

By /s/ Richard Gordon
Name: Richard Gordon
Title: Vice President, U.S. Public Bonds - For Secretary

CLARICA LIFE INSURANCE COMPANY
(U.S. BRANCH)

By /s/ John N. Whelihan
Name: John N. Whelihan
Title: Vice President, U.S. Private Placements - For President

By /s/ Richard Gordon
Name: Richard Gordon
Title: Vice President, U.S. Public Bonds - For Secretary

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

THE GREAT SOUTHERN LIFE INSURANCE CO.

By /s/ Greg Hamilton
Name: Greg Hamilton
Title: Greg Hamilton

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

THE UNION CENTRAL LIFE INSURANCE COMPANY

By /s/ Gary R. Rodmaker
Name: Gary R. Rodmaker
Title: Second Vice President

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

PAN-AMERICAN LIFE INSURANCE COMPANY

By /s/ Rodolfo J. Revuelta
Name: Rodolfo J. Revuelta
Title: Vice-President, Securities

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

STANDARD INSURANCE COMPANY

By /s/ Julie Grandstaff
Name: Julie Grandstaff
Title: Assistant Vice-President

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder listed below shall constitute its respective several and not joint confirmation that it is the owner and holder of the Notes set opposite its name on Schedule I hereto and that it has not sold or otherwise transferred any of the Notes originally purchased by it pursuant to the Note Agreements.

WOODMEN ACCIDENT AND LIFE COMPANY

By /s/ Victor Weber
Name: Victor Weber
Title: Director, Securities Investments, Chief Investment Officer & Asst. Treasurer

<TABLE>
<CAPTION>

NAME OF HOLDER	OUTSTANDING PRINCIPAL AMOUNT AND SERIES OF NOTES HELD AS OF MARCH 14, 2003
<S>	<C>
J. ROMEO & CO. $7,857,143	
J. ROMEO & CO. $3,142,857	
J. ROMEO & CO. $785,714	
THE VARIABLE ANNUITY LIFE INSURANCE COMPANY	$7,857,143
RELIASTAR LIFE INSURANCE COMPANY	$7,464,286
FIRST ALLMERICA FINANCIAL LIFE INSURANCE COMPANY	$3,535,715
ALLMERICA FINANCIAL LIFE INSURANCE AND ANNUITY COMPANY	$3,928,572

	$2,357,143
	$785,715
SUN LIFE ASSURANCE COMPANY OF CANADA	$785,714
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)	$785,714
CLARICA LIFE INSURANCE COMPANY (U.S. BRANCH)	$785,715
PEBBLE CHART & CO. (as nominee for Great Southern Life Insurance Company) $3,928,571	
HARE & CO. (as nominee for The Union Central Life Insurance Company) $3,535,714	
PAN-AMERICAN LIFE INSURANCE COMPANY	$3,535,714
HARE & CO (as nominee for Standard Insurance Company)	$1,964,285
WOODMEN ACCIDENT AND LIFE COMPANY	$1,964,285

</TABLE>

SCHEDULE I
(to Second Amendment Agreement)

Exhibit 4(b)

==========

CREDIT AGREEMENT

Dated as of March 14, 2003

between

CLEVELAND-CLIFFS INC

and

FIFTH THIRD BANK,
an Ohio banking corporation

==========

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

CREDIT AGREEMENT

This Credit Agreement is entered into as of March 14, 2003, by and between CLEVELAND-CLIFFS INC, an Ohio corporation (the "Borrower") and FIFTH THIRD BANK, an Ohio banking corporation (the "Bank").

The Borrower has requested, and the Bank has agreed to extend, certain credit facilities on the terms and conditions of this Agreement. In consideration of the mutual agreements set forth in this Agreement, the parties to this Agreement agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION.

Section 1.1. Definitions. The following terms when used herein shall have the following meanings:

"Adjusted LIBOR" means a rate per annum determined by the Bank in accordance with the following formula:

$$\text{Adjusted LIBOR} = \frac{\text{LIBOR}}{100\%-\text{Reserve Percentage}}$$

"Reserve Percentage" means, for the purpose of computing Adjusted LIBOR, the maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental or other special reserves) imposed by the Board of Governors of the Federal Reserve System (or any successor) under Regulation D on Eurocurrency liabilities (as such term is defined in Regulation D) for the applicable Interest Period as of the first day of such Interest Period, but subject to any amendments to such reserve requirement by such Board or its successor, and taking into account any transitional adjustments thereto becoming effective during such Interest Period. For purposes of this definition, LIBOR Portions shall be deemed to be Eurocurrency liabilities as defined in Regulation D without benefit of or credit for prorations, exemptions or offsets under Regulation D. "LIBOR" means, for each Interest Period, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the arithmetic average of the rates of interest per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) at which deposits in U.S. Dollars in immediately available funds are offered to the Bank at 11:00 a.m. (London, England time) 2 Business Days before the beginning of such Interest Period by 3 or more major banks in the interbank eurodollar market selected by the Bank for a period equal to such Interest Period and in an amount equal or comparable to the applicable LIBOR Portion scheduled to be outstanding from the Bank during such Interest Period. "LIBOR Index Rate" means, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to such Interest Period which appears on the Telerate Page 3750 as of 11:00 a.m. (London, England time) on the date 2 Business Days before the commencement of such Interest Period. "Telerate Page 3750" means the display designated as "Page 3750" on the Telerate Service (or such other page as may replace Page 3750 on that service or such other service as may be nominated by the British Bankers'

Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for U.S. Dollar deposits). Each determination of LIBOR made by the Bank shall be conclusive and binding absent manifest error.

"Affiliate" means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other

Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; provided that, in any event for purposes of this definition, any Person that owns, directly or indirectly, 5% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

"Agreement" means this Credit Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

"Applicable Margin" means, with respect to Loans, the facility fees and letter of credit fees payable under Section 2.13 hereof, until the first Pricing Date, the rates per annum shown opposite Level II below, and thereafter from one Pricing Date to the next the Applicable Margin means the rates per annum determined in accordance with the following schedules:

A. At any time the aggregate amount of outstanding Loans plus outstanding Letters of Credit (and any unreimbursed drawings thereunder) is equal to or greater than $10,000,000:

<TABLE>
<CAPTION>

LEVEL	CASH FLOW LEVERAGE RATIO FOR SUCH PRICING DATE	APPLICABLE MARGIN FOR BASE RATE LOANS SHALL BE:	APPLICABLE MARGIN FOR EURODOLLAR LOANS AND LETTER OF CREDIT FEE SHALL BE:	APPLICABLE MARGIN FOR FACILITY FEE SHALL BE:
<S>	<C>	<C>	<C>	<C>
V	Greater than or equal to 4.25 to 1.0	1.50%	4.00%	.50%
IV	Less than 4.25 to 1.0, but greater than or equal to 3.5 to 1.0	1.50%	3.50%	.50%
III	Less than 3.5 to 1.0, but greater than or equal to 3.0 to 1.0	1.00%	3.00%	.50%
II	Less than 3.0 to 1.0, but greater than or equal to 2.0 to 1.0	.50%	2.25%	.50%
I	Less than 2.0 to 1.0	.50%	2.00%	.50%

</TABLE>

B. At any time the aggregate amount of outstanding Loans plus outstanding Letters of Credit (and any unreimbursed drawings thereunder) is less than $10,000,000:

<TABLE>
<CAPTION>

LEVEL	CASH FLOW LEVERAGE RATIO FOR SUCH PRICING DATE	APPLICABLE MARGIN FOR BASE RATE LOANS SHALL BE:	APPLICABLE MARGIN FOR EURODOLLAR LOANS AND LETTER OF CREDIT FEE SHALL BE:	APPLICABLE MARGIN FOR FACILITY FEE SHALL BE:
<S>	<C>	<C>	<C>	<C>
V	Greater than or equal to 4.25 to 1.0	1.00%	3.50%	.50%
IV	Less than 4.25 to 1.0, but greater than or equal to 3.5 to 1.0	1.00%	3.00%	.50%
III	Less than 3.5 to 1.0, but greater than or equal to 3.0 to 1.0	.50%	2.50%	.50%
II	Less than 3.0 to 1.0, but greater than or equal to 2.0 to 1.0	.00%	1.75%	.50%
I	Less than 2.0 to 1.0	.00%	1.50%	.50%

</TABLE>

For purposes hereof, the term "Pricing Date" means, for any fiscal quarter of the Borrower ending on or after March 31, 2003, the date on which the Bank is in receipt of the Borrower's most recent financial statements (and, in the case of the year-end financial statements, audit report) for the fiscal quarter then ended, pursuant to Section 6.1 hereof. The Applicable Margin shall be established based on the Cash Flow Leverage Ratio for the most recently completed fiscal quarter and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the Borrower has not delivered its financial statements by the date such financial statements (and, in the case of the year-end financial statements, audit report) are required to be delivered under Section 6.1 hereof, until such financial statements and audit report are delivered, the Applicable Margin shall be the highest Applicable

Margin (i.e., the Cash Flow Leverage Ratio shall be deemed to be greater than 4.25 to 1.0). If the Borrower subsequently delivers such financial statements before the next Pricing Date, the Applicable Margin established by such late delivered financial statements shall take effect from the date of delivery until the next Pricing Date. In all other circumstances, the Applicable Margin established by such financial statements shall be in effect from the Pricing Date that occurs immediately after the end of the fiscal quarter covered by such financial statements until the next Pricing Date. Each determination of the Applicable Margin made by the Bank in accordance with the foregoing shall be conclusive and binding on the Borrower absent manifest error.

"Application" is defined in Section 2.2(d) hereof.

"Authorized Representative" means those persons shown on the list of officers provided by the Borrower pursuant to Section 3.2 hereof, or on any update of any such list provided by the Borrower to the Bank, or any further or different officer of the Borrower so named by any Authorized Representative of the Borrower in a written notice to the Bank.

"Bank" is defined in the introductory paragraph hereof.

"Base Rate" means, for any day, the greater of: (i) the rate of interest announced by the Bank from time to time as its "prime rate" is in effect on such day with any change in the Base Rate resulting from a change in said prime rate to be effective as of the date of the relevant change in said prime rate (it being understood and agreed that such rate may not be the Bank's best or lowest rate) and (ii) the sum of (x) the Federal Funds Rate, plus (y) 1/2 of 1%.

"Base Rate Portion" is defined in Section 2.5(a) hereof.

"Borrower" is defined in the introductory paragraph hereof.

"Business Day" means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Cleveland, Ohio, and if the applicable Business Day relates to the advance or continuation of, or conversion into, or payment of, a LIBOR Portion on which banks are dealing in U.S. Dollar deposits in the interbank eurodollar market in London, England.

"Capital Lease" means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

"Cash Flow Leverage Ratio" means, at any time the same is to be determined, the ratio of (a) Funded Debt at such time to (b) Consolidated EBITDA for the Borrower's four fiscal quarters then ended, provided that, for purposes of this definition, Funded Debt and Consolidated EBITDA shall have the meanings given to such terms in the Existing Agreements, except that, notwithstanding such definitions, Funded Debt shall include the principal amount of the Loans and the outstanding amount of all Letters of Credit.

"CCI" shall mean The Cleveland-Cliffs Iron Company, an Ohio corporation, and any Person who succeeds to all, or substantially all, of the assets and business of The Cleveland-Cliffs Iron Company.

"Change of Control Event" shall have the same meaning given to such term in the Existing Agreements.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Commitment" is defined in Section 1.2 hereof.

"Controlled Group" means all members of a controlled group of corporations and all trades and businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Consolidated Adjusted Net Worth" shall mean, at any date, the consolidated shareholders equity of the Borrower and its Subsidiaries as determined in accordance with GAAP.

"Default" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"Encumbrance" means any mortgage, lien, security interest, pledge, charge, or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"Event of Default" means any event or condition identified as such in Section 7.1 hereof.

"Existing Agreements" means the separate Note Agreements, each dated December 15, 1995, by and among the Borrower and the Purchasers party thereto, each as amended by that First Amendment Agreement dated as of December 15, 2002, all with respect to certain 7.00% Senior Notes of the Borrower in the initial aggregate principal amount of $70,000,000, due December 15, 2005, as such agreements are in effect on the date hereof and without giving effect to any terminations, amendments and waivers thereof after the date hereof or the payment in full of the amounts subject thereto.

"Federal Funds Rate" means for any day the rate determined by the Bank to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Bank at approximately 10:00 a.m. (Cleveland time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Bank for sale to the Bank at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount owed to the Bank for which such rate is being determined.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Guaranty" is defined in Section 4 hereof.

"Intercreditor Agreement" means that certain Intercreditor Agreement dated as of March 14, 2003 by and among the Bank and J. Romeo & Co., The Variable Annuity Life Insurance Company, ReliaStar Life Insurance Company, First Allmerica Financial Life Insurance Company, Allmerica Financial Life Insurance and Annuity Company, Sun Life Assurance Company of Canada, Sun Life Assurance Company of Canada (U.S.), Clarica Life Insurance Company (U.S. Branch), Great Southern Life Insurance Co., The Union Central Life Insurance Company, Pan-American Life Insurance Company, Standard Insurance Company and Woodmen Accident and Life Company.

"Interest Period" means, with respect to any LIBOR Portion, the period commencing on, as the case may be, the creation, continuation or conversion date with respect to such LIBOR Portion and ending 1, 2 or 3 months thereafter as selected by the Borrower in its notice as provided herein, subject to the following:

(i) if any Interest Period would otherwise end on a day which is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day, unless in the case of an Interest Period the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) no Interest Period may extend beyond the final maturity date of the Note; and

(iii) the interest rate to be applicable to each Portion for each Interest Period shall apply from and including the first day of such Interest Period to but excluding the last day thereof.

For purposes of determining an Interest Period, a month means a period starting on one day in a calendar month and ending on a numerically corresponding day in the next calendar month, provided, however, if an Interest Period begins on the last day of a month or if there is no numerically corresponding day in the month in which an Interest Period is to end, then such Interest Period shall end on the last Business Day of such month.

"Letter of Credit" and "Letters of Credit" each is defined in Section 2.1 hereof.

"LIBOR Portion" is defined in Section 2.5(a) hereof.

"Loan" and "Loans" each is defined in Section 2.1 hereof.

"Loan Documents" means this Agreement, the Note, the Guaranty and each other instrument or document to be executed or delivered by the Borrower or any Subsidiary Guarantor hereunder or thereunder or otherwise in connection therewith.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower or any Subsidiary to perform its obligations under any Loan Document, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Subsidiary of any Loan Document or the rights and remedies of the Bank thereunder.

"Multiemployer Plan" shall have the same meaning as in ERISA.

"Net Income" means, with reference to any period, the net income (or net loss) of the Borrower and its Subsidiaries for such period as computed on a consolidated basis in accordance with GAAP.

"Note" is defined in Section 2.3 hereof.

"Obligations" means all obligations of the Borrower to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the Borrower arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

"PBGC" means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

"Permitted Investment" shall mean any investment permitted pursuant to subparts (k) or (l) of the definition of "Restricted Investment", as set forth in the Existing Agreements.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Plan" means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Portion" is defined in Section 2.5(a) hereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Responsible Officer" shall mean any of the President, Chairman, Chief Executive Officer, Chief Operating Officer, Vice Chairman, any Executive Vice President, Senior Vice President-Finance or General Counsel, of the Borrower.

"Revolving Credit" is defined in Section 2.1 hereof.

"Subsidiary" means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities which are themselves subsidiaries of such parent corporation or organization. Unless otherwise expressly noted herein, the term "Subsidiary" means a Subsidiary of the Borrower or of any of its direct or indirect Subsidiaries.

"Subsidiary Guarantor" shall mean and include all Wholly-Owned Subsidiaries organized under the laws of the United States, or any state or territory thereof and each other Subsidiary organized under the laws of the United States, or any state or territory thereof, which other Subsidiary is not subject to legal or contractual prohibitions prohibiting such Subsidiary from executing and delivering the Guaranty, which legal or contractual prohibition was not incurred in contemplation of such Subsidiary becoming a Subsidiary on or after the date hereof. The Borrower agrees to use commercially reasonable efforts to have any such prohibition waived to the extent necessary to permit such Subsidiary to execute and deliver the Guaranty (which shall include an offer to defray reasonable legal or administrative fees but shall not include any other consideration or concessions).

"Termination Date" means March 13, 2004, or such earlier date on which the Commitment is terminated in whole pursuant to Section 2.10, 7.2 or 7.3

hereof.

"U.S. Dollars" and "$" each mean the lawful currency of the United States of America.

"Unfunded Vested Liabilities" means, for any Plan at any time, the amount (if any) by which the present value of all vested nonforfeitable accrued benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or the Plan under Title IV of ERISA.

"Voting Stock" of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

"Welfare Plan" means a "welfare plan" as defined in Section 3(1) of ERISA.

"Wholly-Owned Subsidiary" means, at any time, any Subsidiary all of the Voting Stock (except directors' qualifying shares) of which are owned by any one or more of the Borrower and the Borrower's other Wholly-Owned Subsidiaries at such time.

Section 1.2. Defined Terms in Incorporated Provisions. All capitalized terms incorporated by reference into this Agreement and defined in Section 1.1 shall be defined as set forth in such Section. All capitalized terms incorporated by reference into this Agreement, but not otherwise defined in Section 1.1, shall be defined as set forth in the Existing Agreements, without giving effect to any terminations, amendments or waivers thereof, or payment in full of the amounts subject thereto, but with the definitions in the Existing Agreements being construed in accordance with the following sentence. All references in the Existing Agreements (or in provisions incorporated herein by reference to the Existing Agreements) to (i) the "Company" shall be deemed to be references to the "Borrower"; (ii) a "Default" shall be deemed to be references to a "Default" as defined in this Agreement; (iii) an "Event of Default" shall be deemed to be references to an "Event of Default" as defined in this Agreement; (iv) the "Bank Facility" shall be deemed to be references to the "Revolving Credit;" (v) the "Bank Facility Guaranty" shall be deemed to be references to the "Guaranty;" (vi) "December 15, 2002," "the

date hereof" or "the date of the Agreement" shall be deemed to be references to the date of this Agreement; and (vii) "this Agreement," "hereof," "herein," "hereunder" and similar words or phrases shall be deemed to be references to this Agreement.

Section 1.3. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Cleveland, Ohio time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

Section 1.4. Change in Accounting Principles. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.1 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Bank or the Borrower may by notice to the other party, require that the Bank and the Borrower negotiate in good faith to amend such covenants, standards, and term so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Borrower and its Subsidiaries shall be the same as if such change had not been made. No delay by the Bank or the Borrower in requiring such negotiation shall limit its right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.4, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Borrower shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

SECTION 2. THE CREDITS.

Section 2.1. Revolving Credit. Subject to the terms and conditions hereof, the Bank agrees to extend a revolving credit (the "Revolving Credit") to the Borrower which may be availed of by the Borrower from time to time during the period from and including the date hereof to but not including the Termination Date, at which time the commitment of the Bank to extend credit under the Revolving Credit shall expire. The Revolving Credit may be utilized by the Borrower in the form of loans (individually a "Loan" and collectively the "Loans") and commercial and stand-by letters of credit issued by the Bank for the account of the Borrower or any Subsidiary (individually a "Letter of Credit" and collectively the "Letters of Credit"), all as more fully hereinafter set forth, provided that the aggregate outstanding principal amount of Loans and the face amount of all issued and outstanding Letters of Credit shall not at any time exceed $20,000,000 (the "Commitment", as such amount may be reduced pursuant to the terms hereof). During the period from and including the date hereof to but not including the

Termination Date, the Borrower may use the Commitment by borrowing, repaying, and reborrowing Loans in whole or in part and/or by having the Bank issue Letters of Credit, having such Letters of Credit expire or otherwise terminate without having been drawn upon or, if drawn upon, reimbursing the Bank for each such drawing, and having the Bank issue new Letters of Credit, all in accordance with the terms and conditions of this Agreement.

Section 2.2. Revolving Credit Loans. Each Loan shall be in a minimum amount of $100,000; provided, however, that any LIBOR Portion of the Loans shall be in such greater amount as is required by Section 2.6 hereof. The Loans shall be made against and evidenced by a single promissory note of the Borrower in the form (with appropriate insertions) attached hereto as Exhibit A (the "Note"). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth herein. The Note, and all Loans evidenced thereby, shall mature and become due and payable in full on the Termination Date. Without regard to the principal amount of the Note stated on its face, the actual principal amount at any time outstanding and owing by the Borrower on account of the Note shall be the sum of all Loans made hereunder less all payments of principal actually received by the Bank.

Section 2.3. Letters of Credit. (a) General Terms. The aggregate amount of Letters of Credit issued and outstanding at any time hereunder shall not at any one time exceed $5,000,000. For purposes of this Agreement, a Letter of Credit shall be deemed outstanding as of any time in an amount equal to the maximum amount which could be drawn thereunder under any circumstances and over any period of time plus any unreimbursed drawings then outstanding with respect thereto. If and to the extent any Letter of Credit expires or otherwise terminates without having been drawn upon, the availability under the Commitment shall to such extent be reinstated.

(b) Term. Each Letter of Credit issued hereunder shall expire not later than five (5) days prior to the Termination Date.

(c) General Characteristics. Each Letter of Credit issued hereunder shall be payable in U.S. Dollars, conform to the general requirements of the Bank for the issuance of a standby or commercial letter of credit, as the case may be, as to form and substance, and be a letter of credit which the Bank may lawfully issue.

(d) Applications. At the time the Borrower requests each Letter of Credit to be issued (or prior to the first issuance of a Letter of Credit in the case of a continuing application), the Borrower shall execute and deliver to the Bank an application for such Letter of Credit in the form then customarily prescribed by the Bank (individually an "Application" and collectively the "Applications"). Subject to the other provisions of this subsection, the obligation of the Borrower to reimburse the Bank for drawings under a Letter of Credit shall be governed by the Application for such Letter of Credit; provided however that in the event of a conflict between the terms of the Application and the terms of the Credit Agreement, the terms of the Credit Agreement will prevail. Anything contained in the Applications to the contrary notwithstanding, (i) in the event the Bank is not reimbursed by the Borrower for the amount the Bank pays on any drawing made under a Letter of Credit issued hereunder by 11:00 a.m. (Cleveland time) within 1 Business Day of when such drawing is paid, the obligation of the Borrower to reimburse the

Bank for the amount of such drawing shall bear interest (which the Borrower hereby promises to pay on demand) from and after the date the drawing is paid by the Bank until repayment in full thereof at the fluctuating rate per annum determined by adding 2% to the Base Rate as from time to time in effect (computed on the basis of a year of 360 days for the actual number of days elapsed), and (ii) the Borrower shall pay fees in connection with each Letter of

Credit as set forth in Section 2.13 hereof.

Section 2.4. Manner and Disbursement of Loans. The Borrower shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Cleveland time) on the date the Borrower requests the Bank to make a Loan hereunder. Each such notice shall specify the date of the Loan requested (which must be a Business Day) and the amount of such Loan. Each Loan shall initially constitute part of the Base Rate Portion of the Note except to the extent the Borrower has otherwise timely elected that such Loan, or any part thereof, constitute part of a LIBOR Portion as provided in Section 2.5 hereof. The Borrower agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an Authorized Representative without the necessity of independent investigation and, in the event any telephonic notice conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 3 hereof, the proceeds of each Loan shall be made available to the Borrower at the Borrower's account with the Bank in Cleveland, Ohio, in immediately available funds.

Section 2.5. Interest Rate Options.(a) Subject to all of the terms and conditions of this Section 2, portions of the principal indebtedness evidenced by the Note (all of the indebtedness evidenced by the Note bearing interest at the rate for the same period of time being hereinafter referred to as a "Portion") may, at the option of the Borrower, bear interest with reference to the Base Rate (the "Base Rate Portion") or with reference to an Adjusted LIBOR ("LIBOR Portions"), and Portions may be converted from time to time from one basis to another. All of the indebtedness evidenced by the Note that is not part of a LIBOR Portion shall constitute a single Base Rate Portion. All of the indebtedness evidenced by the Note which bears interest with reference to a particular Adjusted LIBOR for a particular Interest Period shall constitute a single LIBOR Portion applicable to the Note. There shall not be more than five LIBOR Portions applicable to the Note outstanding at any one time. Anything contained herein to the contrary notwithstanding, the obligation of the Bank to create, continue, or effect by conversion any LIBOR Portion (other than the conversion of any LIBOR Portion to the Base Rate Portion) shall be conditioned upon the fact that at the time no Default or Event of Default shall have occurred and be continuing. The Borrower hereby promises to pay interest on each Portion at the rates and times specified in this Section 2.

(b) Base Rate Portion. Each Base Rate Portion shall bear interest at the rate per annum determined by adding the Applicable Margin to the Base Rate as in effect from time to time, provided that if the Base Rate Portion or any part thereof is not paid when due (whether by lapse of time, acceleration, or otherwise), or at the election of the Bank upon notice to the Borrower during the existence of any other Event of Default, such Portion shall bear interest, whether before or after judgment until payment in full thereof, at the rate per annum determined by adding 2% to the interest rate which would otherwise be applicable thereto from time to time.

Interest on each Base Rate Portion shall be payable monthly in arrears on the first day of each month in each year and at maturity of the Note, and interest after maturity (whether by lapse of time, acceleration, or otherwise) shall be due and payable upon demand. Any change in the interest rate on any Base Rate Portion resulting from a change in the Base Rate shall be effective on the date of the relevant change in the Base Rate.

(c) LIBOR Portions. Each LIBOR Portion shall bear interest for each Interest Period selected therefor at a rate per annum determined by adding the Applicable Margin to the Adjusted LIBOR for such Interest Period, provided that if any LIBOR Portion is not paid when due (whether by lapse of time, acceleration, or otherwise), or at the election of the Bank upon notice to the Borrower during the existence of any other Event of Default, such Portion shall bear interest, whether before or after judgment until payment in full thereof, through the end of the Interest Period then applicable thereto at the rate per annum determined by adding 2% to the interest rate which would otherwise be applicable thereto, and effective at the end of such Interest Period such LIBOR Portion shall automatically be converted into and added to the Base Rate Portion of the Note and shall thereafter bear interest at the interest rate applicable to the Base Rate Portion of such Note after default. Interest on each LIBOR Portion shall be due and payable on the last day of each Interest Period applicable thereto, and interest after maturity (whether by lapse of time, acceleration, or otherwise) shall be due and payable upon demand. The Borrower shall notify the Bank on or before 11:00 a.m. (Cleveland time) on the third Business Day preceding the end of an Interest Period applicable to a LIBOR Portion whether such LIBOR Portion is to continue as a LIBOR Portion, in which event the Borrower shall notify the Bank of the new Interest Period selected therefor; and in the event the Borrower shall fail to so notify the Bank, such LIBOR Portion shall automatically be converted into and added to the Base Rate Portion of the relevant Note as of and on the last day of such Interest Period.

Section 2.6. Minimum Amounts. Each LIBOR Portion shall be in an amount

equal to $1,000,000 or such greater amount which is an integral multiple of $500,000.

Section 2.7. Computation of Interest. All interest on the Note shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

Section 2.8. Manner of Rate Selection. The Borrower shall notify the Bank by 11:00 a.m. (Cleveland time) at least 3 Business Days prior to the date upon which the Borrower requests that any LIBOR Portion be created or that any part of the Base Rate Portion be converted into a LIBOR Portion (each such notice to specify in each instance the amount thereof and the Interest Period selected therefor). If any request is made to convert a LIBOR Portion of the Note into a Base Rate Portion, such conversion shall only be made so as to become effective as of the last day of the Interest Period applicable thereto. All requests for the creation, continuance, and conversion of Portions under this Agreement shall be irrevocable. Such requests may be written or oral and the Bank is hereby authorized to honor telephonic requests for creations, continuances, and conversions received by it from any person the Bank in good faith believes to be an Authorized Representative without the necessity of independent investigation, the Borrower hereby indemnifying the Bank from any liability or loss ensuing from so acting.

Section 2.9. Prepayments. The Borrower shall have the privilege of prepaying the Loans in whole or in part (but, if in part, then (a) if such Loan or Loans constitutes part of the Base Rate Portion, in an amount not less than $100,000, (b) if such Loan or Loans constitutes part of a LIBOR Portion, in an amount not less than $500,000, and (c) in each case, in an amount such that the minimum amount required for a Loan pursuant to Sections 2.2 and 2.6 hereof remain outstanding) at any time, if such Loan or Loans constitutes part of a LIBOR Portion, upon 3 Business Days prior irrevocable notice by the Borrower to the Bank or, if such Loan or Loans constitute part of the Base Rate Portion, upon prior notice by the Borrower to the Bank (any such notice if received subsequent to 11:00 a.m. (Cleveland time) on a given day to be treated as though received at the opening of business on the next Business Day) and by paying to the Bank the principal amount to be prepaid and (i) if such a prepayment prepays the Note in full and is accompanied by the termination of the Commitment in whole, accrued interest thereon to the date of prepayment, and (ii) in the case of any prepayment of a LIBOR Portion of the Loans, accrued interest thereon to the date of prepayment plus any amounts due the Bank under Section 8.5 hereof.

Section 2.10. Terminations. The Borrower shall have the right, at any time and from time to time, upon 3 Business Days prior notice to the Bank, to terminate without premium or penalty and in whole or in part (but if in part, then in an amount not less than $5,000,000 and in multiples of $1,000,000 thereafter) the Commitment, provided that the Commitment may not be reduced to an amount less than the aggregate principal amount of the Loans and Letters of Credit then outstanding. Any termination of the Commitment pursuant to this Section may not be reinstated.

Section 2.11. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its principal office in Cleveland, Ohio (or at such other place as the Bank may specify) no later than 12:00 noon (Cleveland time) on the date any such payment is due and payable. Payments received by the Bank after 12:00 noon (Cleveland time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank). Unless the Borrower otherwise directs, principal payments shall be applied first to the Prime Portion until payment in full thereof, with any balance applied to the LIBOR Portions in the order in which their Interest Periods expire. Any amount repaid may, subject to the terms and conditions hereof, be borrowed, repaid, and borrowed again.

Section 2.12. Notations. All Loans made against the Note, the status of all amounts evidenced by the Note as constituting part of the Base Rate Portion or a LIBOR Portion, and, in the case of any LIBOR Portion, the rates of interest and Interest Periods applicable to such Portions shall be recorded by the Bank on its books and records or, at its option in any instance, endorsed on a schedule to the Note and the unpaid principal balance and status, rates and Interest Periods so recorded or endorsed by the Bank shall be prima facie evidence in any court or other

proceeding brought to enforce the Note of the principal amount remaining unpaid

thereon, the status of the Loan or Loans evidenced thereby and the interest rates and Interest Periods applicable thereto; provided that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the obligation of the Borrower to repay the principal amount of the Note together with accrued interest thereon. Prior to any negotiation of the Note, the Bank shall record on a schedule thereto the status of all amounts evidenced thereby as constituting part of the Base Rate Portion or a LIBOR Portion and, in the case of any LIBOR Portion, the rates of interest and the Interest Periods applicable thereto.

Section 2.13. Fees.

(a) Facility Fee. For the period from and including the date hereof to but not including the Termination Date, the Borrower shall pay to the Bank a facility fee at the rate equal to the Applicable Margin (computed on the basis of a year of 360 days for the actual number of days elapsed) on the average daily amount of the Commitment. Such facility fee shall be payable quarterly in arrears on the first day of each January, April, July and October in each year (commencing April 1, 2003) and on the Termination Date.

(b) Letter of Credit Fees. On the date of issuance of each Letter of Credit, and as a condition thereto, the Borrower shall pay to the Bank a letter of credit fee equal to the Applicable Margin (computed on the basis of a year of 360 days for the actual number of days elapsed) on the average daily amount of such Letter of Credit. Such fee shall be payable quarterly in advance on the date of issuance of such Letter of Credit and on the first day of each January, April, July and October. In addition to the letter of credit fee called for above, the Borrower further agrees to pay to the Bank such processing and transaction fees and charges as the Bank from time to time customarily imposes in connection with any issuance, amendment, cancellation, negotiation, and/or payment of letters of credit and drafts drawn thereunder.

(c) Closing Fee. The Borrower shall pay to the Bank on the date hereof the closing fee agreed to in that letter agreement by and between the Borrower and the Bank dated March 14, 2003.

SECTION 3. CONDITIONS PRECEDENT.

The obligation of the Bank to make any Loan or issue any Letter of Credit under this Agreement is subject to the following conditions precedent:

Section 3.1. All Advances. As of the time of the making of each Loan or the issuance of each Letter of Credit (including the initial Loan) hereunder:

(a) each of the representations and warranties set forth in Section 5 hereof and in the other Loan Documents shall be true and correct in all material respects as of such time, except to the extent the same expressly relate to an earlier date;

(b) the Borrower shall be in compliance with the terms and conditions of the Loan Documents, and no Default or Event of Default shall have occurred and be

continuing or would occur as a result of making such Loan or issuing such Letter of Credit;

(c) in the case of the issuance of any Letter of Credit, the Bank shall have received a properly completed Application therefor together with the fees called for hereby; and

(d) such Loan or Letter of Credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

The Borrower's request for any Loan or Letter of Credit shall constitute its warranty as to the facts specified in subsections (a) through (c) above, both inclusive.

Section 3.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

(i) the Note;

(ii) the Guaranty;

(iii) copies (executed or certified as may be appropriate) of resolutions of the Board of Directors or other governing body of the Borrower and of each Subsidiary Guarantor authorizing the execution, delivery, and performance of the Loan Documents;

(iv) articles of incorporation (or equivalent formation documents) of the Borrower and of each Subsidiary Guarantor certified by the appropriate governmental office of the state of its organization;

(v) by-laws (or equivalent governing documents) for the Borrower and for each Subsidiary Guarantor certified by an appropriate officer of such Person acceptable to the Bank;

(vi) an incumbency certificate containing the name, title and genuine signature of the Borrower's Authorized Representatives; and

(vii) a good standing certificate for the Borrower and each Subsidiary, dated as of a date no earlier than 30 days prior to the date hereof, from the appropriate governmental offices in the state of its incorporation or organization

and in each state in the United States in which it is qualified to do business as a foreign organization;

(b) the Bank shall have received the closing fees specified in Section 2.13(c) hereof;

(c) the Bank shall have received the Intercreditor Agreement;

(d) the Bank shall have received such valuations and certifications as it may require in order to satisfy itself as to the financial condition of the Borrower and its Subsidiaries, and the lack of material contingent liabilities of the Borrower and its Subsidiaries;

(e) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel;

(f) the Bank shall have received financing statement, tax and judgment lien search results against the Property of the Borrower and its Subsidiaries, evidencing the absence of Liens on their Property except as permitted by Section 6.11 hereof; and

(g) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

SECTION 4. GUARANTY.

The payment and performance of the Obligations shall at all times be guaranteed by each Subsidiary Guarantor pursuant to a guaranty agreement in form and substance acceptable to the Bank, as the same may be amended, modified or supplemented from time to time (the "Guaranty"). In the event that any Subsidiary, pursuant to Section 5.21 of the Existing Agreements, delivers any guaranty or becomes a party to the existing Subsidiary Guaranty, as such term is defined in the Existing Agreements, such Subsidiary shall also become a party to the Guaranty pursuant to that supplement attached as Exhibit A to the Guaranty.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Bank as follows:

Section 5.1. Organization and Qualification. The Borrower is duly organized, validly existing, and in good standing as a corporation under the laws of the State of Ohio, has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying except where the failure to do so would not have a Material Adverse Effect.

Section 5.2. Subsidiaries. Each Subsidiary is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized, has full and adequate power to own its Property and conduct its

business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying except where the failure to do so would not have a Material Adverse Effect. Schedule 5.2 hereto identifies each Subsidiary, the jurisdiction of its organization, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class of its authorized capital stock and other equity interests and the number of shares of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of each Subsidiary are validly issued and outstanding and fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 5.2 as owned by the Borrower or a Subsidiary are owned, beneficially and of record, by the Borrower or such Subsidiary free and clear of all Liens except any Liens permitted hereunder. There are no outstanding commitments or other obligations of any Subsidiary to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of any Subsidiary.

Section 5.3. Authority and Validity of Obligations. The Borrower has full right and authority to enter into this Agreement and the other Loan Documents, to make the borrowings herein provided for, to issue its Note in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents. Each Subsidiary Guarantor has full right and authority to enter into the Loan Documents executed by it, to guarantee the Obligations, and to perform all of its obligations under the Loan Documents executed by it. The Loan Documents delivered by the Borrower and each Subsidiary Guarantor have been duly authorized, executed, and delivered by the Borrower and each Subsidiary Guarantor and constitute valid and binding obligations of the Borrower and each Subsidiary Guarantor enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the Borrower and each Subsidiary Guarantor of any of the matters and things herein or therein provided for, (a) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the Borrower or any Subsidiary Guarantor or any provision of the organizational documents (e.g., charter, articles of incorporation, or by-laws) of the Borrower or any Subsidiary Guarantor or any covenant, indenture or agreement of or affecting the Borrower or any Subsidiary Guarantor or any of its Property, or (b) result in the creation or imposition of any Encumbrance on any Property of the Borrower or any Subsidiary Guarantor.

Section 5.4. Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Loans for its general working capital purposes and for such other legal and proper purposes as are consistent with all applicable laws. Neither the Borrower nor any Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no

part of the proceeds of any Loan will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

Section 5.5. Financial Reports. The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2002, and the related consolidated statements of income, retained earnings, and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, which financial statements are accompanied by the audit report of Ernst & Young LLP, independent public accountants, fairly present in all material respects the consolidated financial condition of the Borrower and its Subsidiaries as at said date and the consolidated results of their operations and cash flows for the period then ended in conformity with GAAP applied on a consistent basis. Neither the Borrower nor any Subsidiary has contingent liabilities which are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to Section 6.1 hereof.

Section 5.6. No Material Adverse Change. Since December 31, 2002, there has been no change in the condition (financial or otherwise) of the Borrower or any Subsidiary except those occurring in the ordinary course of business, none of which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

Section 5.7. Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents, and the commitment by the Bank to provide all or part of the

financing contemplated hereby, do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the Borrower only represents that the same were prepared on the basis of information and estimates the Borrower believed to be reasonable at the time prepared.

Section 5.8. Trademarks, Franchises and Licenses. The Borrower and its Subsidiaries own, possess or have the right to use all necessary patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, know how, and confidential commercial and proprietary information to conduct their businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person except where the failure to do so would not have a Material Adverse Effect.

Section 5.9. Governmental Authority and Licensing. The Borrower and its Subsidiaries have received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct their businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the Borrower's knowledge threatened.

Section 5.10. Good Title. The Borrower and its Subsidiaries have good and defensible title (or valid leasehold interests) to all of their material assets as reflected on the most recent consolidated balance sheet of the Borrower and its Subsidiaries furnished to the Bank (except for sales of assets by the Borrower and its Subsidiaries in the ordinary course of business), subject to no Encumbrances other than such thereof as are permitted by Section 5.9 of the Existing Agreements.

Section 5.11. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the Borrower's knowledge threatened, against the Borrower or any Subsidiary that could reasonably be expected to have a Material Adverse Effect.

Section 5.12. Taxes. All material tax returns required to be filed by the Borrower or any Subsidiary in any jurisdiction have, in fact, been filed, and all material taxes, assessments, fees, and other governmental charges upon the Borrower or any Subsidiary or upon any of their Property, income or franchises, which are shown to be due and payable in such returns, have been paid except to the extent that the Borrower or any Subsidiary is contesting the same in good faith. The Borrower does not know of any proposed additional tax assessment against it or its Subsidiaries for which adequate provisions in accordance with GAAP have not been made on their accounts. Adequate provisions in accordance with GAAP for taxes on the books of the Borrower and its Subsidiaries have been made for all open years, and for the current fiscal period.

Section 5.13. Approvals. No authorization, consent, license or exemption from, or filing or registration with, any court or governmental department, agency or instrumentality, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by the Borrower or any Subsidiary of any Loan Document to which it is a party, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 5.14. Affiliate Transactions. Neither the Borrower nor any Subsidiary is a party to any material contracts or agreements with any of its Affiliates on terms and conditions which are less favorable to the Borrower or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 5.15. Investment Company; Public Utility Holding Company. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "public utility holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 5.16. ERISA. The Borrower and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of, and is in compliance in all material respects with, ERISA and the Code to the extent applicable to it and has not incurred any liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. Except with respect to the Welfare Plans identified

on Schedule 5.16, as of the date hereof, neither the Borrower nor any Subsidiary has any contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA.

Section 5.17. Compliance with Laws. The Borrower and its Subsidiaries are in compliance with the requirements of all federal, state, and local laws, rules and regulations applicable to or pertaining to their Property or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.18. Other Agreements. Neither the Borrower nor any Subsidiary is in default under the terms of any covenant, indenture or agreement of or affecting the Borrower, any Subsidiary or any of their Property, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 5.19. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 6. COVENANTS.

The Borrower covenants and agrees that, so long as any credit is available to the Borrower hereunder, except to the extent compliance in any case is waived in writing by the Bank, and until all Obligations are paid in full:

Section 6.1. Information Covenants. The Borrower will furnish to the Bank:

(a) Quarterly Statements. Within 45 days after the close of each quarterly accounting period in each fiscal year of the Borrower, the Borrower's consolidated balance sheet as at the end of such quarterly accounting period and the related consolidated statements of income and of cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the related periods in the prior fiscal year (other than with respect to the consolidated balance sheet which shall be compared to the consolidated balance sheet for the fiscal year most recently ended), all of which shall be in reasonable detail, prepared by the Borrower in accordance with GAAP, and certified by the chief financial officer or other officer of the Borrower acceptable to the Bank that they fairly present in all material respects in accordance with GAAP the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the

periods indicated, subject to normal year-end audit adjustments and the absence of footnotes.

(b) Annual Statements. Within 90 days after the close of each fiscal year of the Borrower, a copy of the Borrower's consolidated balance sheet as of the last day of the fiscal year then ended and the Borrower's consolidated statements of income, shareholder's equity, and cash flows for the fiscal year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion of a firm of independent public accountants of recognized national standing, selected by the Borrower and acceptable to the Bank, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Borrower and its Subsidiaries as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards.

(c) Officer's Certificates. Within 75 days after the close of each quarterly accounting period in each fiscal year of the Borrower, a certificate of the chief financial officer or other officer of the Borrower acceptable to Bank in the form of Exhibit B (x) stating no Default or Event of Default has occurred during the period covered by

such statements or, if a Default or Event of Default exists, a detailed description of the Default or Event of Default and all actions the Borrower is taking with respect to such Default or Event of Default, (y) confirming that the representations and warranties stated in Section 5 remain true and correct in all material respects, and (z) showing the Borrower's compliance with the covenants set forth in 6.11, 6.12, and 6.13.

(d) Notice of Default or Litigation. Promptly, and in any event within five Business Days after any Responsible Officer obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or an Event of Default or any other event which could reasonably be expected to have a Material Adverse Effect, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto, (ii) the commencement of, or any significant development in, any litigation, labor controversy, arbitration or governmental proceeding pending against the Borrower or any of its Subsidiaries which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

(e) Other Reports and Filings. Promptly, copies of all financial information, proxy materials and other material information, certificates, reports, statements and completed forms, if any, which the Borrower or any of its Subsidiaries (x) has filed with the Securities and Exchange Commission or any governmental agencies substituted therefor (the "SEC") or any comparable agency outside of the United States, (y) has furnished to the shareholders of the Borrower, or (z) is required to and has delivered to holders of, or to any agent or trustee with respect to, those promissory notes that are the subject of the Existing Agreements.

(f) Other Information. From time to time, such other information or documents (financial or otherwise) as the Bank may reasonably request.

Section 6.2. Inspections. The Borrower will, and will cause each Subsidiary to, permit officers, representatives and agents of the Bank, to visit and inspect any Property of the Borrower or such Subsidiary, and to examine the books of account of the Borrower or such Subsidiary and discuss the affairs, finances and accounts of the Borrower or such Subsidiary with its and their officers and independent accountants, all at such reasonable times as the Bank may request and upon reasonable advance notice.

Section 6.3. Maintenance of Property, Insurance, etc. (a) The Borrower will, and will cause each of its Subsidiaries to, (i) keep its property, plant and equipment in good repair, working order and condition, normal wear and tear excepted, and shall from time to time make all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto so that at all times such property, plant and equipment are reasonably preserved and maintained and (ii) maintain in full force and effect with financially sound and reputable insurance companies insurance which provides substantially the same (or greater) coverage and against at least such risks as is in accordance with industry practice, and shall furnish to the Bank upon request full information as to the insurance so carried.

Section 6.4. Preservation of Existence. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, its franchises, authority to do business, licenses, patents, trademarks, copyrights and other proprietary rights; provided, however, that nothing in this Section 6.4 shall prevent, to the extent permitted by Section 5.10 of the Existing Agreements, sales of assets by the Borrower or any of its Subsidiaries, the dissolution or liquidation of any Subsidiary of the Borrower, or the merger or consolidation between or among the Subsidiaries of the Borrower.

Section 6.5. Compliance with Laws. The Borrower shall, and shall cause each Subsidiary to, comply in all respects with the requirements of all federal, state, local, and foreign laws, rules, regulations, ordinances and orders applicable to its property or business operations, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in a Lien upon any of its Property not permitted hereunder.

Section 6.6. ERISA. The Borrower shall, and shall cause each Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to have a Material Adverse Effect or result in a Lien upon any of its Property. The Borrower shall, and shall cause each Subsidiary to, promptly notify the Bank of: (a) the occurrence of any reportable event (as defined in ERISA) with respect to a Plan which the Borrower is required to report to the PBGC, (b)

receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (c) its intention to terminate or withdraw from any Plan subject to Title IV of ERISA, and (d) the occurrence of any event with respect to any Plan which would result in the incurrence

by the Borrower or any Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of the Borrower or any Subsidiary with respect to any post-retirement Welfare Plan benefit.

Section 6.7. Payment of Taxes. The Borrower will, and will cause each of its Subsidiaries to, pay and discharge, all material taxes, assessments, fees and other governmental charges imposed upon it or any of its Property, before becoming delinquent and before any penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by proper proceedings and as to which appropriate reserves are provided therefor, unless and until any Lien resulting therefrom attaches to any of its Property.

Section 6.8. No Changes in Fiscal Year. The Borrower shall not, nor shall it permit any Subsidiary to, change its fiscal year from its present basis.

Section 6.9. Change in the Nature of Business. The Borrower will not, and will not permit CCI to, engage in any business activities or operations which are substantially different in nature from and unrelated to the activities and operations of the Borrower and its Subsidiaries engaged in as of the date hereof.

Section 6.10. Limitation on Restrictions. Except as set forth on Schedule 6.10 hereto and except as provided in the Existing Agreements, the Borrower will not, and it will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction on the ability of any such Subsidiary to (a) pay dividends or make any other distributions on its capital stock or other equity interests owned by the Borrower or any other Subsidiary, (b) pay or repay any Indebtedness owed to the Borrower or any other Subsidiary, (c) make loans or advances to the Borrower or any other Subsidiary, (d) transfer any of its Property to the Borrower or any other Subsidiary, (e) encumber or pledge any of its assets to or for the benefit of the Bank or (f) guaranty the Obligations.

Section 6.11. Incorporation by Reference. The provisions of the following Sections (including the contents of the related schedules and exhibits) of the Existing Agreements are incorporated herein by reference in their entirety as in effect on the date hereof and without giving effect to any terminations, amendments or waivers thereof after the date hereof, or the payment in full of the amounts subject thereto, with (a) the defined terms used therein and the definitions of such terms being construed in accordance with Sections 1.1 and 1.2 and (b) Section references therein being deemed to be references to Sections of the Existing Agreements as incorporated by reference herein: Section 5.7, Section 5.8, Section 5.9, Section 5.10, Section 5.11, Section 5.13, Section 5.16, Section 5.17, Section 5.18 and Section 5.19. The Borrower hereby agrees to, and to cause its Subsidiaries to, observe, perform and comply with the Sections of the Existing Agreements incorporated herein for the benefit of the Bank as if such Sections were set forth directly in this Agreement. With regard to Section 5.10 incorporated herein, each reference to the "Notes" and "Financing Agreements" in Section 5.10(a)(2)(i) shall be deemed, respectively, to be reference to the "Obligations" as defined herein, and to this Agreement. Further, with regard to the last paragraph of Section 5.10(c), the exclusion of any sale, lease or other disposition of assets by virtue of the

offer by the Borrower to repay the Notes pro-rata shall require the Borrower to similarly offer such pro-rata prepayment to the Bank.

Section 6.12. Minimum Consolidated Adjusted Net Worth. The Borrower will at all times keep and maintain Consolidated Adjusted Net Worth at an amount not less than $69,300,000; provided, however, the Borrower may take or incur non-cash charges in respect of post-retirement benefits in an aggregate amount not to exceed $25,000,000 so long as the amount of Consolidated Adjusted Net Worth of the Borrower immediately after giving effect to such non-cash charges shall not be less than $44,300,000 thereafter.

Section 6.13. Capital Expenditures. The Borrower will not, nor shall it permit any Subsidiary to, expend or become obligated for capital expenditures (as determined in accordance with GAAP, but excluding any Permitted Investment) in an aggregate amount in excess of $35,000,000 during any fiscal year of the Borrower, provided that, in the event that, after the date hereof, the Borrower or any Subsidiary acquires any Subsidiary or otherwise increases its ownership interest in any existing Subsidiary, then the $35,000,000 amount shall be increased by that amount of any capital expenditures incurred by such Subsidiary attributable to such acquisition or increase in ownership interest that, as a

result of such acquisition or increased interest, will, under GAAP, be consolidated with capital expenditures of the Borrower during the fiscal year at issue.

Section 6.14. Minimum Indebtedness Under Existing Agreements. The Borrower shall maintain a principal indebtedness owing under the Existing Agreements to the Purchasers party to such agreements in an amount not less than $55,000,000, reducing to $35,000,000 on and after December 14, 2003 and further reducing to $15,000,000 on or after December 14, 2004, provided that, notwithstanding the foregoing, the Borrower may make those principal payments required by Sections 2.8 and 5.10 of the Existing Agreements and such principal indebtedness may be paid in full on December 15, 2005.

Section 6.15. Additional Restrictions. In addition to and not in limitation of any of the restrictions to which the Borrower or any Subsidiary is subject pursuant to this Agreement, the Borrower agrees that in the event the Borrower or any Subsidiary is subject to any covenant or agreement for the benefit of any lender or other provider of credit which is in addition to, or more restrictive than the covenants and agreements to which the Borrower and its subsidiaries are subject pursuant to this Agreement, such other covenants or agreements, without further action, shall be deemed to be incorporated herein and the Bank shall be entitled to the benefit of such covenants and agreements at all times so long as such other covenants and agreements remain outstanding. At the request of the Bank, the Borrower shall, or shall cause the appropriate Subsidiary to enter into amendments hereto to properly incorporate the aforementioned additional covenants or other agreements.

SECTION 7. EVENTS OF DEFAULT AND REMEDIES.

Section 7.1. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) default (i) in the payment when due of all or any part of the principal of any Obligation payable by the Borrower hereunder or under any Loan Document or (ii) in the payment when due or within five Business Days thereafter of all or any part of the interest on any Obligation payable by the Borrower hereunder or under any Loan Document, (whether at the stated maturity thereof or at any other time provided for in this Agreement); or

(b) default in the observance or performance of any covenant set forth in Sections 6.1, 6.4, 6.11, 6.12, 6.13, 6.14 and 6.15 hereof; or

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer or (ii) written notice thereof is given to the Borrower by the Bank to remedy the same; or

(d) any representation or warranty made by the Borrower or any Subsidiary Guarantor herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof; or

(e) default shall occur under any Indebtedness issued, assumed or guaranteed by the Borrower or any Subsidiary aggregating more than $100,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness (whether or not such maturity is in fact accelerated), or any such Indebtedness shall not be paid when due (whether by lapse of time, acceleration or otherwise); or

(f) any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of $5,000,000 (and not covered by insurance) shall be entered or filed against the Borrower or any Subsidiary or against any of their Property and which remains unvacated, unbonded, unstayed or unsatisfied for a period of 30 days; or

(g) the Borrower or any Subsidiary withdraws from any Multiemployer Plan or permits any employee benefit plan maintained by it to be terminated if such withdrawal or termination results in withdrawal liability (as described in Part 1 of Subtitle E of Title IV of ERISA) in excess of $3,000,000 or the imposition of a Lien on any property of the Borrower or any Subsidiary pursuant to Section 4068 of ERISA.

(h) the Borrower or any Subsidiary shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended which is not stayed or dismissed within 60 days of the filing thereof, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.1(i) hereof; or

(i) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any Subsidiary or any substantial part of any of their Property, or a proceeding described in Section 7.1(h)(v) shall be instituted against the Borrower or any Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days; or

(j) any Subsidiary Guarantor takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it, except as permitted hereunder, or any of its obligations thereunder, or any event of the type described in any of Sections 7.1(e), 7.1(f), 7.1(h) or 7.1(i) above shall occur with respect to any Guarantor; or

(k) a Change of Control Event occurs.

Notwithstanding anything contained in Section 6.4 of this Agreement or in this Section 7.1 to the contrary, the voluntary or involuntary liquidation, receivership or other disposition of Cliffs and Associates Limited, a Subsidiary organized under the laws of Trinidad and Tobago and its Wholly-Owned Subsidiary, Calipso Sales Company, a Delaware corporation (collectively, "CAL") shall not constitute an Event of Default hereunder provided, that (i) after giving effect to any such transaction the Borrower and its Subsidiaries directly or indirectly own no more than 20% of any equity interests in CAL, (ii) from and after the date hereof, CAL (x) does not enter into any merger, consolidation or other similar transaction except in connection with any such liquidation, receivership or other disposition, and (y) does not acquire, directly or indirectly, any additional material assets or operations and, (iii) any such liquidation and/or receivership or other disposition could not result in any material obligations or liabilities being imposed upon the Borrower or any Subsidiary (other than reasonable and customary filing, legal and other similar administrative fees and expenses) which would not have existed in the absence of any such liquidation and/or receivership.

Section 7.2. Non-Bankruptcy Defaults. When any Event of Default described in subsection (a) through (g), both inclusive, or subsection (j) of Section 7.1 has occurred and is continuing, the Bank may, by notice to the Borrower, take one or more of the following actions:

(a) terminate the obligation of the Bank to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice;

(b) declare the principal of and the accrued interest on the Note to be forthwith due and payable and thereupon the Note, including both principal and interest and all fees, charges and other Obligations payable hereunder and under the other Loan Documents, shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) enforce any and all rights and remedies available to it under the Loan Documents or applicable law.

Section 7.3. Bankruptcy Defaults. When any Event of Default described in subsection (h) or (i) of Section 7.1 has occurred and is continuing, then the Note, including both principal and interest, and all fees, charges and other Obligations payable hereunder and under the other Loan Documents, shall immediately become due and payable without presentment, demand, protest or notice of any kind, and the obligation of the Bank to extend further credit

pursuant to any of the terms hereof shall immediately terminate. In addition, the Bank may exercise any and all remedies available to it under the Loan Documents or applicable law.

Section 7.4. Collateral for Undrawn Letters of Credit. When any Event of Default, other than an Event of Default described in subsection (h) or (i) of Section 7.1, has occurred and is continuing, the Borrower shall, upon demand of the Bank, and when any Event of Default described in subsection (h) or (i) of Section 7.1 has occurred the Borrower shall, without notice or demand from the Bank, immediately pay to the Bank the full amount of each Letter of Credit then outstanding, the Borrower agreeing to immediately make such payment and acknowledging and agreeing that the Bank would not have an adequate remedy at law for failure of the Borrower to honor any such demand and that the Bank shall have the right to require the Borrower to specifically perform such undertaking whether or not any draws have been made under any such Letters of Credit.

SECTION 8. CHANGE IN CIRCUMSTANCES AND CONTINGENCIES.

Section 8.1. Change of Law. Notwithstanding any other provisions of this Agreement or the Note, if at any time the Bank shall determine that any change in applicable laws, treaties, or regulations, or in the interpretation thereof, makes it unlawful for the Bank to create or continue to maintain any LIBOR Portion, it shall promptly so notify the Borrower and the obligation of the Bank to create, continue, or maintain any such LIBOR Portion under this Agreement shall be suspended until it is no longer unlawful for the Bank to create, continue, or maintain such LIBOR Portion. If the continued maintenance of any such LIBOR Portion is unlawful, the Borrower shall prepay on demand to the Bank the outstanding principal amount of the affected LIBOR Portion together with all interest accrued thereon and all other amounts payable to the

Bank with respect thereto under this Agreement; provided, however, the Borrower may elect to convert the principal amount of the affected Portion into another type of Portion available hereunder, subject to the terms and conditions of this Agreement (including, without limitation, Section 8.5 hereof).

Section 8.2. Unavailability of Deposits or Inability to Ascertain Adjusted LIBOR. Notwithstanding any other provision of this Agreement or the Note, if the Bank shall determine prior to the commencement of any Interest Period that deposits in the amount of any LIBOR Portion scheduled to be outstanding during such Interest Period are not readily available to the Bank in the relevant market or, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining Adjusted LIBOR, then the Bank shall promptly give notice thereof to the Borrower and the obligations of the Bank to create, continue, or effect by conversion any such LIBOR Portion in such amount and for such Interest Period shall be suspended until deposits in such amount and for the Interest Period selected by the Borrower shall again be readily available in the relevant market and adequate and reasonable means exist for ascertaining Adjusted LIBOR.

Section 8.3. Taxes and Increased Costs. With respect to any LIBOR Portion, if the Bank shall determine that any change in any applicable law, treaty, regulation, or guideline (including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System), or any new law, treaty, regulation, or guideline, or any interpretation of any of the foregoing, by any governmental authority charged with the administration thereof or any central bank or other fiscal, monetary, or other authority having jurisdiction over the Bank or its lending branch or the LIBOR Portions contemplated by this Agreement (whether or not having the force of law), shall:

(i) impose, increase, or deem applicable any reserve, special deposit, or similar requirement against assets held by, or deposits in or for the account of, or loans by, or any other acquisition of funds or disbursements by, the Bank which is not in any instance already accounted for in computing the interest rate applicable to such LIBOR Portion;

(ii) subject the Bank, any LIBOR Portion or the Note to the extent it evidences such LIBOR Portion to any tax (including, without limitation, any United States interest equalization tax or similar tax however named applicable to the acquisition or holding of debt obligations and any interest or penalties with respect thereto), duty, charge, stamp tax, fee, deduction, or withholding in respect of this Agreement, any LIBOR Portion or the Note to the extent it evidences such LIBOR Portion, except such taxes as may be measured by the overall net income or gross receipts of the Bank or its lending branches and imposed by the jurisdiction, or any political subdivision or taxing authority thereof, in which the Bank's principal executive office or its lending branch is located;

(iii) change the basis of taxation of payments of principal and interest due from the Borrower to the Bank hereunder or under the Note to the extent it evidences any LIBOR Portion (other than by a change in

taxation of the overall net income or gross receipts of the Bank); or

(iv) impose on the Bank any penalty with respect to the foregoing or any other condition regarding this Agreement, any LIBOR Portion, or its disbursement, or the Note to the extent it evidences any LIBOR Portion;

and the Bank shall determine that the result of any of the foregoing is to materially increase the cost (whether by incurring a cost or adding to a cost) to the Bank of creating or maintaining any LIBOR Portion hereunder or to reduce the amount of principal or interest received or receivable by the Bank (without benefit of, or credit for, any prorations, exemption, credits, or other offsets available under any such laws, treaties, regulations, guidelines, or interpretations thereof), then the Borrower shall pay on demand to the Bank from time to time as specified by the Bank such additional amounts as the Bank shall reasonably determine are sufficient to compensate and indemnify it for such increased cost or reduced amount. If the Bank makes such a claim for compensation, it shall provide to the Borrower a certificate setting forth the computation of the increased cost or reduced amount as a result of any event mentioned herein in reasonable detail and such certificate shall be conclusive absent manifest error.

Section 8.4. Change in Capital Adequacy Requirements. If the Bank shall determine that the adoption after the date hereof of any applicable law, rule, or regulation regarding capital adequacy, or any change in any existing law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any of its branches) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations hereunder or for the credit which is the subject matter hereof to a level below that which the Bank could have achieved but for such adoption, change, or compliance (taking into consideration the Bank's policies with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, then from time to time, within 15 days after demand by the Bank, the Borrower shall pay to the Bank such additional amount or amounts reasonably determined by the Bank as will compensate the Bank for such reduction.

Section 8.5. Funding Indemnity. (a) In the event the Bank shall incur any loss, cost, or expense (including, without limitation, any loss (excluding any loss of anticipated profit), cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Bank to fund or maintain any LIBOR Portion or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Bank or by reason of breakage of interest rate swap agreements or the liquidation of other hedging interests or agreements) as a result of:

(i) any payment or prepayment of a LIBOR Portion on a date other than the last day of the then applicable Interest Period for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement; or

(ii) any failure by the Borrower to create, borrow, continue, or effect by conversion a LIBOR Portion on the date specified in a notice given pursuant to this Agreement;

then upon the demand of the Bank, the Borrower shall pay to the Bank such amount as will reimburse the Bank for such loss, cost, or expense.

(b) If the Bank requests reimbursement or payment under this Section, it shall provide to the Borrower a certificate setting forth the computation of the loss, cost, expense, or funding indemnity giving rise to the request for reimbursement and payment in reasonable detail and such certificate shall be conclusive absent manifest error.

Section 8.6. Lending Branch. The Bank may, at its option, elect to make, fund or maintain Portions of the Loans hereunder at such of its branches or offices as the Bank may from time to time elect. To the extent reasonably possible, the Bank shall designate an alternate branch or funding office with respect to the LIBOR Portions to reduce any liability of the Borrower to the Bank under Section 8.3 hereof or to avoid the unavailability of an interest rate option under Section 8.2 hereof, so long as such designation is not otherwise disadvantageous to the Bank.

Section 8.7. Discretion of Bank as to Manner of Funding.Notwithstanding any provision of this Agreement to the contrary, the Bank shall be entitled to

fund and maintain its funding of all or any part of the Note in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder (including, without limitation, determinations under Sections 8.2, 8.3 and 8.4 hereof) shall be made as if the Bank had actually funded and maintained each LIBOR Portion during each Interest Period applicable thereto through the purchase of deposits in the relevant market in the amount of such LIBOR Portion, having a maturity corresponding to such Interest Period, and bearing an interest rate equal to the LIBOR for such Interest Period.

SECTION 9. MISCELLANEOUS.

Section 9.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 9.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Bank and of the holder of the

Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 9.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 9.4. Costs and Expenses; Indemnification. The Borrower agrees to pay on demand the reasonable costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the recording or filing of any of the foregoing, and in connection with the transactions contemplated hereby or thereby, and in connection with any consents hereunder or waivers or amendments hereto or thereto, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated). The Borrower further agrees to pay to the Bank or any other holder of the Obligations all costs and expenses (including court costs and reasonable attorneys' fees), if any, incurred or paid by the Bank or any other holder of the Obligations in connection with any Default or Event of Default or in connection with the enforcement of this Agreement or any of the other Loan Documents or any other instrument or document delivered hereunder or thereunder. The Borrower further agrees to indemnify the Bank, and any security trustee, and their respective directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor, whether or not the indemnified Person is a party thereto) which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any Loan, other than those which arise from the gross negligence or willful misconduct of the party claiming indemnification. The Borrower, upon demand by the Bank at any time, shall reimburse the Bank for any legal or other expenses incurred in connection with investigating or defending against any of the foregoing except if the same is directly due to the gross negligence or willful misconduct of the party to be indemnified. The obligations of the Borrower under this Section shall survive the termination of this Agreement.

Section 9.5. Documentary Taxes. The Borrower agrees to pay on demand any documentary, stamp or similar taxes payable in respect of this Agreement or any other Loan Document, including interest and penalties, in the event any such taxes are assessed, irrespective of when such assessment is made and whether or not any credit is then in use or available hereunder.

Section 9.6. Survival of Representations. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 9.7. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

<TABLE>
<CAPTION>

to the Borrower at:	to the Bank at:
<S>	<C>
Cleveland-Cliffs Inc	Fifth Third Bank
1100 Superior Avenue	1404 East Ninth Street
Cleveland, Ohio 44114-2589	Cleveland, Ohio 44114
Attention: Secretary	Attention: Vel Woods
Telephone: (216) 694-5470	Telephone: (216) 274-5578
Telecopy: (216) 694-6741	Telecopy: (216) 274-5420

</TABLE>

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 2 hereof shall be effective only upon receipt.

Section 9.8. Participations. The Bank shall have the right to grant participations (to be evidenced by one or more agreements or certificates of participation) in its extensions of credit hereunder at any time and from time to time to one or more other Persons; provided that no such participation shall relieve the Bank of any of its obligations under this Agreement, and, provided, further that no such participant shall have any rights under this Agreement except as provided in this Section. Any agreement pursuant to which such participation is granted shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower under this Agreement and the other Loan Documents including, without limitation, the right to approve any amendment, modification or waiver of any provision of the Loan Documents, except that such agreement may provide that the Bank will not agree to any modification, amendment or waiver of the Loan Documents that would reduce the amount of or postpone any fixed date for payment of any Obligation in which such participant has an interest. Any party to which such a participation has been granted shall have the benefits of Section 8.3 and Section 8.5 hereof. The Borrower authorizes the Bank to disclose to any participant or prospective participant under this Section any financial or other information pertaining to the Borrower or any Subsidiary.

Section 9.9. Construction. The provisions of this Agreement relating to Subsidiaries shall only apply during such times as the Borrower has one or more Subsidiaries. NOTHING CONTAINED HEREIN SHALL BE DEEMED OR CONSTRUED TO PERMIT ANY ACT OR OMISSION WHICH IS PROHIBITED BY THE TERMS OF ANY OF THE OTHER LOAN DOCUMENTS, THE COVENANTS AND

AGREEMENTS CONTAINED HEREIN BEING IN ADDITION TO AND NOT IN SUBSTITUTION FOR THE COVENANTS AND AGREEMENTS CONTAINED IN THE OTHER LOAN DOCUMENTS.

Section 9.10. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 9.11. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 9.13. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including

any subsequent holder of the Obligations. The Borrower may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF OHIO WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Section 9.14. Submission to Jurisdiction; Waiver of Jury Trial. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of Ohio and of any Ohio State court sitting in the City of Cincinnati for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. THE BORROWER AND THE BANK HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

[SIGNATURE PAGE TO FOLLOW]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement shall constitute a contract between us for the uses and purposes hereinabove set forth.

Dated as of this 14th day of March, 2003.

CLEVELAND-CLIFFS INC

By /s/ Robert Emmet
Name Robert Emmet
Title Treasurer

Accepted and agreed as of the day and year last above written.

FIFTH THIRD BANK, an Ohio banking corporation

By /s/ James P. Byrnes
Name James P. Byrnes
Title Vice President

EXHIBIT A
REVOLVING NOTE

Cleveland, Ohio
$20,000,000.00 March 14, 2003

On the Termination Date, for value received, the undersigned, CLEVELAND-CLIFFS INC, an Ohio corporation (the "Borrower"), hereby promises to pay to the order of FIFTH THIRD BANK, an Ohio banking corporation (the "Bank") at its principal office in Cleveland, Ohio, the principal sum of (i) TWENTY MILLION and no/100 DOLLARS ($20,000,000), or (ii) such lesser amount as may at the time of the maturity hereof, whether by acceleration or otherwise, be the aggregate unpaid principal amount of all Loans owing from the Borrower to the Bank under the Revolving Credit provided for in the Credit Agreement hereinafter mentioned.

This Note evidences Loans made and to be made to the Borrower by the Bank under the Revolving Credit provided for under that certain Credit Agreement dated as of March 14, 2003, between the Borrower and the Bank (said Credit Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Credit Agreement"), and the Borrower hereby promises to pay interest at the office described above on such Loans evidenced hereby at the rates and at the times and in the manner specified therefor in the

Credit Agreement.

This Note is issued by the Borrower under the terms and provisions of the Credit Agreement and this Note and the holder hereof are entitled to all of the benefits provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, all in the events, on the terms and with the effects provided in the Credit Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Credit Agreement.

The Borrower hereby promises to pay all costs and expenses (including attorneys' fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral therefor. The Borrower hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF OHIO WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

CLEVELAND-CLIFFS INC

By_____
Name_____
Title_____

EXHIBIT B

COMPLIANCE CERTIFICATE

To: Fifth Third Bank

This Compliance Certificate is furnished to the Fifth Third Bank, an Ohio banking corporation, pursuant to that certain Credit Agreement dated as of March 14, 2003, between us (the "Credit Agreement"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of Cleveland-Cliffs Inc;

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;

4. The financial statements required by Section 6.1 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete as of the date and for the periods covered thereby;

5. The representations and warranties of the Borrower contained in Section 5 of the Credit Agreement are true and correct in all material respects as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date); and

6. The Schedule I hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____ 20___.

CLEVELAND-CLIFFS INC

By_____
Name_____
Title_____

SCHEDULE I
TO COMPLIANCE CERTIFICATE

CLEVELAND-CLIFFS INC

COMPLIANCE CALCULATIONS
FOR CREDIT AGREEMENT DATED AS OF MARCH 14, 2003

CALCULATIONS AS OF _____, 20___

<TABLE>
<S> <C> <C>

A.	Minimum Consolidated EBITDA			
	1. EBITDA at _____			$---------- See detail below
	2. EBITDA exceeded the minimum requirement of $_____			
B.	Minimum EBITDA (Detail)			
	1. Net Income (Loss)			$_____
	2. Asset Retirement Obligation Current Year Increase			$_____
	3. Interest Income			$_____
	4. Interest Expense			$_____
	5. Taxes			$_____
	6. EBIT (Sum of Lines B1 through B5)			$_____
	7. Depreciation & Amortization			$_____
	8. EBITDA at _____ (Sum of Lines B6 and B7)			$ ==========
C.	Consolidated EBITDAR			
	1. EBITDA (Line A1)	$_____		
	2. Operating Lease Rentals	$_____		$_____
	3. EBITDAR (Sum of Lines C1 and C2)	$ ==========		
	4. Consolidated Interest Charges			$_____
	5. Fixed Charges (Sum of Lines C2 and C4)			$ ==========
	6. EBITDAR/Fixed Charges (C3 divided by C5)			$_____
	7. The ratio exceeds the minimum required ratio of:			_____

</TABLE>

<TABLE>
<S> <C> <C>

D.	Consolidated Adjusted Net Worth (Section 6.12)	

1.	Consolidated Adjusted Net Worth	$_____
2.	Consolidated Adjusted Net Worth must not be less than	$_____
3.	The Borrower is in compliance (circle yes or no)	yes/no

E. Capital Expenditures (Section 6.13)

1.	Year-to-date Capital Expenditures	$_____
2.	Permitted Base Amount	$35,000,000
3.	Additional Capital Expenditures by Acquired Subsidiaries	$_____
4.	Maximum permitted amount -- Sum of Lines D2 and D3	$_____
5.	The Borrower is in compliance (circle yes or no)	yes/no

SCHEDULE 5.2

SUBSIDIARIES

ENTITY	STATE OF FORMATION	PERCENTAGE OWNERSHIP
Cleveland-Cliffs Ore Corporation	OH	100%
The Cleveland-Cliffs Iron Company	OH	100%
Northshore Sales Company	OH	100%
Wabush Iron Co. Limited	OH	100%
Cliffs Oil Shale Corp.	CO	100%
CALipso Sales Company	DE	82.93%
Cliffs Erie L.L.C.	DE	100%
Cliffs Mining Company	DE	100%
Cliffs Mining Services Company	DE	100%
Cliffs Reduced Iron Corporation	DE	100%
Cliffs Reduced Iron Management Company	DE	100%
IronUnits LLC	DE	100%
Northshore Mining Company	DE	100%
Seignelay Resources, Inc.	DE	100%
Silver Bay Power Company	DE	100%
The Cleveland-Cliffs Steamship Company	DE	100%
Cliffs Biwabik Ore Corporation	MN	100%
Pickands Hibbing Corporation	MN	100%
Syracuse Mining Company	MN	100%

ENTITY	STATE OF FORMATION	PERCENTAGE OWNERSHIP
Cliffs Empire, Inc.	MI	100%
Cliffs IH Empire, Inc.	MI	100%
Cliffs Marquette, Inc.	MI	100%

Cliffs MC Empire, Inc.	MI	100%
Cliffs TIOP, Inc.	MI	100%
Lake Superior & Ishpeming Railroad Company	MI	100%
Lasco Development Corporation	MI	100%
Empire-Cliffs Partnership (assumed name for Cliffs Empire, Inc. and Cliffs MC Empire, Inc.)	MI	100%
Empire Iron Mining Partnership	MI	79%
Marquette Iron Mining Partnership (assumed name for Cliffs Marquette, Inc.)	MI	100%
Marquette Range Coal Service Company	MI	82.086%
Tilden Mining Company L.C.	MI	85%
Wheeling-Pittsburgh/Cliffs Partnership (assumed name for Cliffs Empire, Inc., Cliffs IH Empire, Inc. and Wheeling-Empire Company)	MI	100%
Minerais Midway Ltee-Midway Ore Company Ltd.	Quebec, Canada	100%
Cliffs and Associates Limited	Trinidad	82.39%
Cliffs Synfuel Corp.	UT	100%
Republic Wetlands Preserve LLC	MI	100%

</TABLE>

SCHEDULE 5.16

WELFARE PLANS

1. Program of Hospital and Medical Benefits for Eligible Pensioners (Cliffs Mining)

2. Program of Hospital/Medical Benefits for Eligible Pensioners & Surviving Spouses Represented by United Steelworkers of America (Empire Iron Mining Partnership)

3. Program of Hospital/Medical Benefits for Eligible Pensioners & Surviving Spouses Represented by United Steelworkers of America (Tilden)

4. Program of Hospital/Medical Benefits for Eligible Pensioners & Surviving Spouses (Cliffs Mining as Managing Agent of Hibbing Joint Venture)

5. Program of Hospital/Medical Benefits for Eligible Pensioners & Surviving Spouses Represented by United Steelworkers of America (Cleveland-Cliffs Iron)

6. Program of Insurance Benefits for Salaried Retirees and Surviving Spouses of the Cleveland-Cliffs Iron Company and Its Associated Employers (Cleveland-Cliffs Iron)

7. Insurance Benefits for Retirees and Surviving Spouses (Cleveland-Cliffs Inc)

8. Program of Hospital/Medical Benefits for Eligible Pensioners & Surviving Spouses (Central Shops) (Cleveland-Cliffs Iron)

SCHEDULE 6.10

LIMITATION ON RESTRICTIONS

1. Any agreement evidencing or relating to a capital lease or purchase money financing to the extent that such agreement prohibits the transfer or encumbrance of the property subject to such agreement.

2. Any agreement relating to any shares of International Steel Group Inc. owned by the Borrower or any of its Subsidiaries that restricts the

transfer of such shares or prohibits the creation of a lien on or pledge of such shares by the Borrower or any of its Subsidiaries.

3. Any agreement, contract, lease, right-of-way, permit, license or license agreement ("Subject Agreement") if, under the terms of such Subject Agreement or under applicable law with respect thereto, the grant of a security interest therein or lien thereon is prohibited by, or constitutes a breach or default under, or results in the termination of, any such Subject Agreement (other than to the extent any such term would be rendered ineffective pursuant to Sections 9-406 through 9-409 of the Uniform Commercial Code).

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of this 14th day of March, 2003, by and among each of the parties who have executed this Guaranty (collectively the "Guarantors" and individually a "Guarantor") in favor of Fifth Third Bank, an Ohio banking corporation (the "Bank").

WITNESSETH:

WHEREAS, each Guarantor is a subsidiary or affiliate of CLEVELAND-CLIFFS INC, an Ohio corporation (the "Borrower"); and

WHEREAS, the Borrower and the Bank have entered into a Credit Agreement dated as of March 14, 2003 (such Credit Agreement as the same may from time to time hereafter be modified, amended or restated being hereinafter referred to as the "Credit Agreement") pursuant to which the Bank has extended various credit facilities to the Borrower; and

WHEREAS, the Borrower provides each of the Guarantors with substantial financial, management, administrative, technical and design support; and

WHEREAS, the interdependent nature of the businesses of each of the Guarantors and the Borrower is such that the viability of each Guarantor is dependent upon the continued success of the Borrower and upon the continuation of the Borrower's business relationships with such Guarantor, and the continuation thereof necessitates the Borrower's access to credit and other financial accommodations from the Bank which the Bank will only make available on the condition, among others, that the Guarantors guarantee all indebtedness, obligations and liabilities of the Borrower from time to time owing to the Bank under the Credit Agreement; and

WHEREAS, each Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Bank to the Borrower.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Bank from time to time, each Guarantor hereby agrees as follows:

1. All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

2. The Guarantors hereby jointly and severally guarantee the full and prompt payment to the Bank at maturity and at all times thereafter of (i) any and all indebtedness, obligations and liabilities of every kind and nature of the Borrower to the Bank under or in connection with or evidenced by the Credit Agreement, the Note of the Borrower heretofore or hereafter issued under the Credit Agreement and the obligations of the Borrower to reimburse the Bank for the amount of all drawings on all Letters of Credit issued pursuant to the Credit Agreement and all other obligations of the Borrower under any and all applications for Letters of Credit (and

whether arising before or after the filing of a petition in bankruptcy and including all interest accrued after the petition date), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired (hereinafter all such indebtedness, obligations and liabilities being collectively referred to as the "indebtedness hereby guaranteed"). Notwithstanding in this Guaranty to the contrary, the right of recovery against a Guarantor under this Guaranty shall not exceed $1.00 less than the lowest amount which would render such Guarantor's obligations under this Guaranty void or voidable under applicable law, including fraudulent conveyance law.

3. The Guarantors further jointly and severally agree to pay all costs and expenses, legal and/or otherwise (including court costs and reasonable attorneys' fees), suffered or incurred by the Bank in enforcing or endeavoring to enforce this Guaranty, in enforcing or endeavoring to collect the indebtedness hereby guaranteed, or any part thereof, and in protecting, defending or enforcing this Guaranty in any litigation, bankruptcy or insolvency proceedings or otherwise.

4. If any of the indebtedness hereby guaranteed is not paid when due and payable, each Guarantor agrees that, upon demand, such Guarantor will then pay to the Bank the full amount of the indebtedness hereby guaranteed (subject to the limitations on the right of recovery from such Guarantor pursuant to the last sentence of Section 2 above) whether or not any one or more of the other Guarantors shall then or thereafter pay any amount whatsoever in respect to their obligations hereunder.

5. Each of the Guarantors agrees that such Guarantor will not exercise or enforce any right of exoneration, contribution, reimbursement, recourse or

subrogation available to such Guarantor against any person liable for payment of the indebtedness hereby guaranteed, or as to any security therefor, unless and until the full amount owing to the Bank of the indebtedness hereby guaranteed has been paid and all commitments, if any, of the Bank to extend credit to or for the account of the Borrower which, when made, would constitute indebtedness hereby guaranteed shall have terminated. The payment by any Guarantor of any amount or amounts to the Bank pursuant hereto shall not in any way entitle any such Guarantor, either at law, in equity or otherwise, to any right, title or interest (whether by way of subrogation or otherwise) in and to the indebtedness hereby guaranteed or any part thereof or any collateral security therefor or any other rights or remedies in any way relating thereto or in and to any amounts theretofore, then or thereafter paid or applicable to the payment thereof howsoever such payment may be made and from whatsoever source such payment may be derived unless and until all of the indebtedness hereby guaranteed and all costs and expenses suffered or incurred by said Bank in enforcing this Guaranty have been paid in full and all commitments, if any, of the Bank to extend credit to or for the account of the Borrower which, when made, would constitute indebtedness hereby guaranteed shall have terminated and unless and until such payment in full and termination, any payments made by any Guarantor hereunder and any other payments from whatsoever source derived on account of or applicable to the indebtedness hereby guaranteed or any part thereof shall be held and taken to be merely payments in gross to the Bank reducing pro tanto the indebtedness hereby guaranteed.

6. The Bank may, without any notice whatsoever to any one, sell, assign, or transfer all of the indebtedness hereby guaranteed, or any part thereof, or grant participations therein, and

in that event each and every immediate and successive assignee, transferee, or holder of or participant in all or any part of the indebtedness hereby guaranteed, shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee, holder or participant, as fully as if such assignee, transferee, holder or participant were herein by name specifically given such rights, powers and benefits; but the Bank shall have an unimpaired right to enforce this Guaranty for the benefit of the Bank or any such participant, as to so much of the indebtedness hereby guaranteed that it has not sold, assigned or transferred.

7. This Guaranty is a continuing, absolute and unconditional Guaranty, and shall remain in full force and effect until written notice of its discontinuance executed by the Borrower and all the Guarantors shall be actually received by said Bank, and also until any and all of said indebtedness hereby guaranteed created or existing before receipt of such notice shall be fully paid and all commitments, if any, of the Bank to extend credit to or for the account of the Borrower which, when made, would constitute indebtedness hereby guaranteed shall have terminated. The dissolution of any of the Guarantors shall not terminate this Guaranty until notice of such dissolution shall have been actually received by said Bank, nor until all of said indebtedness hereby guaranteed, created or existing or committed to be extended in each case before receipt of such notice shall be fully paid. The Bank may at any time or from time to time release any Guarantor from its obligations hereunder or effect any compromise with any Guarantor and no such release or compromise shall in any manner effect or impair the obligations hereunder of the other Guarantors.

8. In case of the incompetency, dissolution, liquidation or insolvency (howsoever evidenced) of, or the institution of bankruptcy or receivership proceedings against the Borrower or any of the Guarantors, all of the indebtedness hereby guaranteed which is then existing shall, at the option of the Bank, immediately become due or accrued and payable from the Guarantors. All dividends or other payments received from the Borrower or on account of the indebtedness hereby guaranteed from whatsoever source, shall be taken and applied as payment in gross, and this Guaranty shall apply to and secure any ultimate balance that shall remain owing to the Bank.

9. The liability hereunder shall in no way be affected or impaired by (and said Bank is hereby expressly authorized to make from time to time, without notice to anyone), any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of said indebtedness hereby guaranteed, either express or implied, or of any contract or contracts evidencing any thereof, or of any security or collateral therefor or any guaranty thereof. The liability hereunder shall in no way be affected or impaired by any acceptance by said Bank of any security for or other guarantors upon any of said indebtedness hereby guaranteed, or by any failure, neglect or omission on the part of said Bank to realize upon or protect any of said indebtedness hereby guaranteed, or any collateral or security therefor, or to exercise any lien upon or right of appropriation of any moneys, credits or property of said Borrower possessed by said Bank toward the liquidation of said indebtedness hereby guaranteed, or by any application of payments or credits thereon. Said Bank shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on said indebtedness hereby guaranteed, or any part of same. In order to hold any Guarantor liable hereunder, there shall be no

obligation on the part of said Bank at any time to resort for payment to said Borrower or to

any other Guarantor, or to any other person or corporations, their properties or estate, or resort to any collateral, security, property, liens or other rights or remedies whatsoever, and the Bank shall have the right to enforce this Guaranty irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing are pending.

10. In the event the Bank shall at any time in its discretion permit a substitution of Guarantors hereunder or a party shall wish to become Guarantor hereunder, such substituted or additional Guarantor shall, upon executing an agreement in the form attached hereto as Exhibit A, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Guarantor had originally executed this Guaranty and, in the case of a substitution, in lieu of the Guarantor being replaced. No such substitution shall be effective absent the written consent of the Bank nor shall it in any manner affect the obligations of the other Guarantors hereunder.

11. All diligence in collection or protection, and all presentment, demand, protest and/or notice, as to any and everyone, whether or not the Borrower or the Guarantors or others, of dishonor and of default and of non-payment and of the creation and existence of any and all of said indebtedness hereby guaranteed, and of any security and collateral therefor, and of the acceptance of this Guaranty, and of any and all extensions of credit and indulgence hereunder, are expressly waived.

12. No act of commission or omission of any kind, or at any time, upon the part of the Bank with respect to the Borrower, shall in any way affect or impair this Guaranty.

13. The Guarantors waive any and all defenses, claims and discharges of the Borrower, or any other obligor, pertaining to the indebtedness hereby guaranteed, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Guarantors will not assert, plead or enforce against the Bank any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statue of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to the Borrower or any other person liable in respect of any of the indebtedness hereby guaranteed, or any set-off available against the Bank to the Borrower or any such other person, whether or not on account of a related transaction. The Guarantors agree that the Guarantors shall be and remain jointly and severally liable for any deficiency remaining after foreclosure of any mortgage or security interest securing the indebtedness hereby guaranteed, whether or not the liability of the Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

14. If any payment applied by the Bank to the indebtedness hereby guaranteed is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Borrower or any other obligor), the indebtedness hereby guaranteed to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such of the indebtedness hereby guaranteed as fully as if such application had never been made.

15. The liability of the Guarantors under this Guaranty is in addition to and shall be cumulative with all other liabilities of the Guarantors after the date hereof to the Bank as a Guarantor of the indebtedness hereby guaranteed, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

16. Any invalidity or unenforceability of any provision or application of this Guaranty shall not affect other lawful provisions and applications hereof, and to this end the provisions of this Guaranty are declared to be severable. Without limiting the generality of the foregoing, any invalidity or unenforceability against any Guarantor of any provision or application of the Guaranty shall not affect the validity or enforceability of the provisions or application of this Guaranty as against the other Guarantors.

17. Any demand for payment on this Guaranty or any other notice required or desired to be given hereunder to any Guarantor shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party c/o Cleveland-Cliffs Inc its address or telecopier number set forth in the Credit Agreement, or such other address or telecopier number as such party may hereafter specify by notice to the Bank given by United States

certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when received at the addresses specified in this Section.

18. Each Guarantor represents and warrants to the Bank that:

(a) Such Guarantor is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Such Guarantor has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Guaranty and to perform the provisions hereof.

(b) This Guaranty has been duly authorized by all necessary action on the part of such Guarantor, and this Guaranty constitutes a legal, valid and binding obligation of such Guarantor enforceable against such Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The execution, delivery and performance by such Guarantor of this Guaranty will not (i) except with respect to the Existing Agreements, contravene, result in any breach of, or constitute a default under, or result in the creation of any Encumbrance in respect of any property of such Guarantor or any of its subsidiaries under any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, charter document or by-law, or any other agreement or instrument to which such Guarantor or any of its subsidiaries is bound or by which such Guarantor or any of its subsidiaries or any of their respective properties may be bound or affected, or (ii) contravene any provision of any law, statute, rule, regulation, order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to such Guarantor or any of its subsidiaries.

(d) No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by such Guarantor of this Guaranty.

(e) Such Guarantor is solvent, has capital not unreasonably small in relation to its business or any contemplated or undertaken transaction and has assets having a value both at fair valuation and at present fair salable value greater than the amount required to pay its debts as they become due and greater than the amount that will be required to pay its probable liability on its existing debts as they become absolute and matured. Such Guarantor does not intend to incur, or believe or should have believed that it will incur, debts beyond its ability to pay such debts as they become due. Such Guarantor will not be rendered insolvent by the execution and delivery of, this Guaranty and, on a consolidated basis with the Borrower and the other Guarantors, will not be rendered insolvent. Such Guarantor does not intend to hinder, delay or defraud its creditors by or through the execution and delivery of, or performance of its obligations under, this Guaranty.

(f) From and after the date of execution of the Credit Agreement by the Borrower and continuing so long as any amount remains unpaid thereon, each Guarantor agrees to comply with the terms and provisions of Section 6 of the Credit Agreement, insofar as such provisions apply to such Guarantor, as if said Section was set forth herein in full.

19. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF OHIO (without regard to principles of conflicts of laws) in which state it shall be performed by the Guarantors and may not be waived, amended, released or otherwise changed except by a writing signed by the Bank. This Guaranty and every part thereof shall be effective upon delivery to the Bank, without further act, condition or acceptance by the Bank, shall be binding upon the Guarantors and upon the successors and assigns of the Guarantors, and shall inure to the benefit of said Bank, its successors, legal representatives and assigns. The Guarantors waive notice of the Bank's acceptance hereof. This Guaranty may be executed in counterparts and by different parties hereto on separate counterpart signature pages, each of which shall be an original, but all together to be one and the same instrument.

20. Each Guarantor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of Ohio and of any Ohio State court sitting in the City of Cincinnati, Ohio for purposes of all legal proceedings arising out of or relating to this Guaranty

or the transactions contemplated hereby. Each Guarantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such court has been brought in an inconvenient forum. EACH GUARANTOR AND THE BANK HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be executed and delivered as of the date first above written.

"GUARANTORS"

CLEVELAND-CLIFFS ORE CORPORATION;
THE CLEVELAND-CLIFFS IRON COMPANY;
NORTHSHORE SALES COMPANY;
WABUSH IRON CO. LIMITED;
CLIFFS OIL SHALE CORP.;
CLIFFS ERIE L.L.C.;
CLIFFS MINING COMPANY;
CLIFFS MINING SERVICES COMPANY;
CLIFFS REDUCED IRON CORPORATION;
CLIFFS REDUCED IRON MANAGEMENT COMPANY;
IRONUNITS LLC;
NORTHSHORE MINING COMPANY;
SEIGNELAY RESOURCES, INC.;
SILVER BAY POWER COMPANY;
THE CLEVELAND-CLIFFS STEAMSHIP COMPANY;
CLIFFS BIWABIK ORE CORPORATION;
PICKANDS HIBBING CORPORATION;
SYRACUSE MINING COMPANY;
CLIFFS EMPIRE, INC.;
CLIFFS IH EMPIRE, INC.;
CLIFFS MARQUETTE, INC.;
CLIFFS MC EMPIRE, INC.;
CLIFFS TIOP, INC.;
EMPIRE-CLIFFS PARTNERSHIP
By: CLIFFS EMPIRE, INC., its General Partner;
MARQUETTE IRON MINING PARTNERSHIP
By: CLEVELAND-CLIFFS ORE CORPORATION, its General Partner;
WHEELING-PITTSBURGH/CLIFFS PARTNERSHIP
By: CLIFFS EMPIRE, INC., its General Partner;
and
CLIFFS SNYFUEL CORP.

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Treasurer

LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY
and
LASCO DEVELOPMENT CORPORATION

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Assistant Treasurer

REPUBLIC WETLANDS PRESERVE LLC
By: Marquette Iron Mining
Partnership, its sole member
By: The Cleveland-Cliffs Ore
Corporation, its partner

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Treasurer

Accepted and agreed to as of the date first above written.

FIFTH THIRD BANK

By /s/ James P. Byrnes
Name James P. Byrnes
Title Vice President

Address:
1404 East Ninth Street
Cleveland, Ohio 44114
Attention: Vel Woods
Telephone: (216) 274-5578
Telecopy: (216) 274-5420

EXHIBIT A
TO
GUARANTY AGREEMENT

ASSUMPTION AND SUPPLEMENT TO GUARANTY AGREEMENT

This Assumption and Supplement to Guaranty Agreement (the "Agreement") is dated as of this _____ day of _____, 20__, made by [NEW GUARANTOR], a(n) _____ CORPORATION/LIMITED LIABILITY COMPANY/PARTNERSHIP (the "New Guarantor") in favor of Fifth Third Bank, an Ohio banking corporation (the "Bank");

WITNESSETH THAT:

WHEREAS, certain parties have executed and delivered to the Bank that certain Guaranty Agreement dated as of March 14, 2003 (such Guaranty Agreement, as the same may from time to time be modified or amended, including supplements thereto which add or substitute parties as Guarantors thereunder, being hereinafter referred to as the "Guaranty") pursuant to which such parties (the "Existing Guarantors") have guaranteed to the Bank the full and prompt payment of, among other things, any and all indebtedness, obligations and liabilities of CLEVELAND CLIFFS INC, an Ohio corporation (the "Borrower"), arising under or relating to the Credit Agreement and the Loan Documents as defined therein; and

WHEREAS, the Borrower provides the New Guarantor with substantial financial, managerial, administrative, technical and design support and the New Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Bank to the Borrower;

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Bank from time to time, the New Guarantor hereby agrees as follows:

1. The New Guarantor acknowledges and agrees that it shall become a "Guarantor" party to the Guaranty effective upon the date the New Guarantor's execution of this Agreement and the delivery of this Agreement to the Bank, and that upon such execution and delivery, all references in the Guaranty to the terms "Guarantor" or "Guarantors" shall be deemed to include the New Guarantor.

2. The New Guarantor hereby assumes and becomes liable (jointly and severally with all the other Guarantors) for the indebtedness hereby guaranteed (as defined in the Guaranty) and agrees to pay and otherwise perform all of the obligations of a Guarantor under the Guaranty according to, and otherwise on and subject to, the terms and conditions of the Guaranty to the same extent and with

the same force and effect as if the New Guarantor had originally been one of the Existing Guarantors under the Guaranty and had originally executed the same as such an Existing Guarantor.

3. The New Guarantor acknowledges and agrees that, as of the date hereof, the New Guarantor makes each and every representation and warranty that is set forth in Section 18 of the Guaranty.

4. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Guaranty, except that any reference to the term "Guarantor" or "Guarantors" and any provision of the Guaranty providing meaning to such term shall be deemed a reference to the Existing Guarantors and the New Guarantor. Except as specifically modified hereby, all of the terms and conditions of the Guaranty shall stand and remain unchanged and in full force and effect.

5. The New Guarantor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Bank may deem necessary or proper to carry out more effectively the purposes of this Agreement.

6. No reference to this Agreement need be made in the Guaranty or in any other document or instrument making reference to the Guaranty, any reference to the Guaranty in any of such to be deemed a reference to the Guaranty as modified hereby.

7. This Agreement shall be governed by and construed in accordance with the State of Ohio (without regard to principles of conflicts of law) in which state it shall be performed by the New Guarantor.

[NEW GUARANTOR]

By
Name_____
Title_____

Acknowledged and agreed to as of the date first above written.

FIFTH THIRD BANK

By
Name_____
Title_____

Address:
38 Fountain Square Plaza
Cincinnati, Ohio 45263
Attention: Loan Syndications
Telephone: (513) 579-4224
Telecopy: (513) 534-0879

Exhibit 10(a)

SECOND AMENDMENT
TO THE
AMENDED AND RESTATED CLEVELAND-CLIFFS INC
RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

RECITALS

WHEREAS, Cleveland-Cliffs Inc (the "Company") has established the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors (the "Plan") effective as of July 1, 1995; and

WHEREAS, the Company adopted an Amendment to the Plan, dated as of January 1, 2001; and

WHEREAS, Section 1.2 of the Plan provides that the Company may amend, suspend or terminate the Plan with the prior approval of a majority of the Directors present at a meeting of the Board of Directors, at which a "quorum" (as defined in the Regulations of the Company) is present; and

WHEREAS, the Company desires to amend the Plan to provide an offer of an immediate voluntary lump sum cash-out election of the present value of the accrued pension benefit under the Plan to all Participants.

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Plan is hereby amended, effective January 14, 2003 as follows:

1. Section 3 of the Plan is amended to add a new Section 3.2 as follows:

   3.2 Lump Sum Payment Election of Post-Retirement Income. Notwithstanding the form of quarterly installment distributions provided in Section 3.1 above, during the period beginning on February 1, 2003 and ending on February 28, 2003 a Participant may voluntarily elect by written notice filed with the Company to receive from the Company payment of such Participant's post-retirement income benefits in a single lump sum. Payment of a Participant's

   lump sum benefit shall be payable on or about June 30, 2003. Amounts payable under Section 3.1 for purposes of the Participant's distribution shall be converted into a lump sum equivalent actuarial value as of December 31, 2002, (the "Lump Sum Benefit"). The Lump Sum Benefit shall be determined by the Company based on the Pension Benefit Guaranty Corporation interest rate for immediate annuities in effect for December, 2002 and the 2000 Annuity Mortality Table.

2. Effective Date. This Amendment No. 2 shall be effective on January 14, 2003.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc, pursuant to the order of its Board of Directors, has executed this Amendment No. 2 to the Amended and Restated Cleveland-Cliffs Inc Retirement Plan for Non-Employee Directors at Cleveland, Ohio, as of the 14th day of January, 2003.

CLEVELAND-CLIFFS INC

By: /s/ J. S. Brinzo

Chairman and Chief Executive Officer

Exhibit 10(b)

SECOND AMENDMENT
TO THE
CLEVELAND-CLIFFS INC NONEMPLOYEE
DIRECTORS SUPPLEMENTAL COMPENSATION PLAN

RECITALS

WHEREAS, Cleveland-Cliffs Inc (the "Company") has established the Cleveland-Cliffs Inc Nonemployee Directors Supplemental Compensation Plan (the "Plan") effective as of July 1, 1995; and

WHEREAS, the Company adopted the First Amendment to the Plan as of January 1, 1999; and

WHEREAS, Section 1.2 of the Plan provides that the Company may amend, suspend or terminate the Plan with the prior approval of a majority of the Directors present at a meeting of the Board of Directors, at which a "quorum" (as defined in the Regulations of the Company) is present; and

WHEREAS, the Company desires to amend the Plan to provide an offer of an immediate voluntary lump sum cash-out election of the present value of the accrued deferred benefit under the Plan to all Participants.

NOW, THEREFORE, by approval of the Board of Directors of the Company, the Plan is hereby amended, effective January 14, 2003 as follows:

1. Section 3 of the Plan is amended to add a new Section 3.3 as follows:

   3.3 Lump Sum Payment Election of Post-Retirement Income. Notwithstanding the form of quarterly installment distributions provided in Section 3.2 above, during the period beginning on February 1, 2003 and ending on February 28, 2003 a Participant may voluntarily elect by written notice filed with the Company to receive from the Company payment of such Participant's post-retirement income benefits in a single lump sum. Payment of a Participant's

   lump sum benefit shall be payable on or about June 30, 2003. Amounts payable under Section 3.2 for purposes of the Participant's distribution shall be converted into a lump sum equivalent actuarial value as of December 31, 2002, (the "Lump Sum Benefit"). The Lump Sum Benefit shall be determined by the Company based on the Pension Benefit Guaranty Corporation interest rate for immediate annuities in effect for December, 2002 and the 2000 Annuity Mortality Table.

2. Effective Date. This Second Amendment shall be effective on January 14, 2003.

IN WITNESS WHEREOF, Cleveland-Cliffs Inc, pursuant to the order of its Board of Directors, has executed this Second Amendment to the Cleveland-Cliffs Inc Nonemployee Directors Supplemental Compensation Plan at Cleveland, Ohio, as of the 14th day of January, 2003.

CLEVELAND-CLIFFS INC

By: /s/ J. S. Brinzo

Chairman and Chief Executive Officer

Exhibit 99(a)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cleveland-Cliffs Inc (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John S. Brinzo, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2003

/s/ John S. Brinzo
- ----------
John S. Brinzo
Chairman and Chief Executive Office

A signed original of this written statement required by Section 906 has been provided to Cleveland-Cliffs Inc and will be retained by Cleveland-Cliffs Inc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99(b)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cleveland-Cliffs Inc (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cynthia B. Bezik, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 24, 2003

/s/ Cynthia B. Bezik
Cynthia B. Bezik
Senior Vice President - Finance and
Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to Cleveland-Cliffs Inc and will be retained by Cleveland-Cliffs Inc and furnished to the Securities and Exchange Commission or its staff upon request.