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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 June 30, 2000
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	34-1464672
(State or other jurisdiction of incorporation)	(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
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As of July 17, 2000, there were 10,502,367 Common Shares (par value $1.00 per share) outstanding.

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PART I - FINANCIAL INFORMATION

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME

<TABLE>
<CAPTION>

	(In Millions, Except Per Share Amounts)			
	Three Months Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
REVENUES				
Product sales and services	$ 116.6	$ 82.9	$ 140.4	$ 96.5
Royalties and management fees	15.4	13.5	24.6	22.7
Total Operating Revenues	132.0	96.4	165.0	119.2
Insurance recovery	15.0		15.0	
Interest income	.9	.5	2.2	1.9
Other income	1.1	.9	2.1	1.6

Total Revenues	149.0	97.8	184.3	122.7
COSTS AND EXPENSES				
Cost of goods sold and operating expenses	112.4	77.7	142.2	90.6
Administrative, selling and general expenses	4.9	4.2	8.3	7.9
Unrealized loss on long-term investment	9.1		9.1	
Equity loss in Cliffs and Associates Limited	3.9	2.3	7.1	3.4
Interest expense	1.3	1.2	2.5	1.2
Other expenses	1.4	1.8	3.8	5.3
Total Costs and Expenses	133.0	87.2	173.0	108.4
INCOME BEFORE INCOME TAXES	16.0	10.6	11.3	14.3
INCOME TAXES	(5.0)	(2.8)	(3.8)	(3.8)
NET INCOME	$ 11.0	$ 7.8	$ 7.5	$ 10.5
NET INCOME PER COMMON SHARE				
Basic	$ 1.04	$ .70	$ .71	$ .94
Diluted	$ 1.04	$ .70	$ .71	$ .94
AVERAGE NUMBER OF SHARES (IN THOUSANDS)				
Basic	10,545	11,202	10,574	11,184
Diluted	10,593	11,251	10,617	11,233

See notes to consolidated financial statements.
</TABLE>

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

<TABLE>
<CAPTION>

	(In Millions)	
	June 30 2000	December 31 1999
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 23.5	$ 67.6
Accounts receivable - net	67.1	82.6
Inventories		
Iron ore	91.3	36.6
Supplies and other	15.1	

16.0		
	Other	31.7
14.3		
	TOTAL CURRENT ASSETS	228.7
217.1		
PROPERTIES		226.4
224.0		
	Allowances for depreciation and depletion	(76.4)
(70.1)		
	TOTAL PROPERTIES	150.0
153.9		
INVESTMENTS IN ASSOCIATED COMPANIES		226.6
233.4		
OTHER ASSETS		
	Prepaid pensions	40.4
40.8		
	Miscellaneous	38.0
34.5		
	TOTAL OTHER ASSETS	78.4
75.3		
	TOTAL ASSETS	$ 683.7
$ 679.7		

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES		$ 79.9
$ 73.7		
LONG-TERM DEBT		70.0
70.0		
POSTEMPLOYMENT BENEFIT LIABILITIES		67.2
68.1		
OTHER LIABILITIES		59.5
60.6		
SHAREHOLDERS' EQUITY		
	Preferred Stock	
	Class A - no par value	
	Authorized - 500,000 shares; Issued - none	-
-		
	Class B - no par value	
	Authorized - 4,000,000 shares; Issued - none	-
-		
	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	67.4
67.1		
	Retained income	500.8
501.3		
	Accumulated other comprehensive loss, net of tax	
(5.2)		
	Cost of 6,325,574 Common Shares in treasury	
	(1999 - 6,180,742 shares)	(175.3)
(171.5)		
	Unearned compensation	(2.6)
(1.2)		
	TOTAL SHAREHOLDERS' EQUITY	407.1
407.3		
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 683.7
$ 679.7		

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See notes to consolidated financial statements.
</TABLE>

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS

<TABLE>
<CAPTION>

(In Millions, Brackets Indicate Cash Decrease)

	Six Months Ended June 30	
	2000	1999
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	$ 7.5	$ 10.5
Depreciation and amortization:		
Consolidated	6.3	4.4
Share of associated companies	6.2	6.5
Equity Loss in Cliffs and Associates Limited	7.1	3.4
Unrealized loss on long-term investment	9.1	
Provision for deferred income taxes	(3.2)	
Other	1.8	(1.6)
Total before changes in operating assets and liabilities	34.8	23.2
Changes in operating assets and liabilities	(52.8)	(104.0)
Net cash used by operating activities	(18.0)	(80.8)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment:		
Consolidated	(2.7)	(10.3)
Share of associated companies	(2.4)	(2.0)
Investment and advances in Cliffs and Associates Limited	(7.5)	(3.0)
Other		(2.1)
Net cash used by investing activities	(12.6)	(17.4)
FINANCING ACTIVITIES		
Dividends	(8.0)	(8.4)
Repurchases of Common Shares	(5.5)	
Net cash used by financing activities	(13.5)	(8.4)
DECREASE IN CASH AND CASH EQUIVALENTS	(44.1)	(106.6)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	67.6	130.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 23.5	$ 23.7

See notes to consolidated financial statements.
</TABLE>

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2000

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 1999 Annual Report on Form 10-K. In management's opinion, the quarterly unaudited consolidated financial statements present fairly the Company's financial position and results in accordance with generally accepted accounting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

References to the "Company" mean Cleveland-Cliffs Inc and consolidated subsidiaries, unless otherwise indicated. Quarterly results historically are not representative of annual results due to seasonal and other factors. Certain prior year amounts have been reclassified to conform to current year classifications.

NOTE B - ACCOUNTING AND DISCLOSURE CHANGES

In March, 2000, the Financial Accounting Standards Board issued Interpretation 44, "Accounting for Certain Transactions Involving Stock Compensation." The Interpretation provides guidance on certain implementation issues related to Accounting Principles Board Opinion 25 on accounting for stock issued to employees. The Interpretation, which is effective July 1, 2000, is not expected to have a material effect on the Company's consolidated financial statements.

NOTE C - ENVIRONMENTAL RESERVES

At June 30, 2000, the Company had an environmental reserve, including its share of ventures, of $20.2 million, of which $3.6 million was classified as current. The reserve includes the Company's obligations related to Federal and State Superfund and Clean Water Act sites where the Company is named as a potentially responsible party, including Cliffs-Dow and Kipling sites in Michigan, the Summitville site in Colorado and the Rio Tinto mine site in Nevada, all of which sites are independent of the Company's iron mining operations. Reserves are based on Company estimates and engineering studies prepared by outside consultants engaged by the potentially responsible parties. The Company continues to evaluate the recommendations of the studies and other

means for site clean-up. Significant site clean-up activities have taken place at Rio Tinto and Cliffs-Dow. Also provided for in the reserve are wholly-owned active and closed mining operations, and other sites, including former operations, for which reserves are based on the Company's estimated cost of investigation and remediation.

NOTE D - COMPREHENSIVE INCOME
<TABLE>
<CAPTION>

	(In Millions)

	Second Quarter		First Half	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Net Income	$11.5	$7.8	$ 8.0	$10.5
Other Comprehensive Income -				
Unrealized Loss on Securities	(.9)	.6	(1.2)	.4
Reclassification Adjustment for Loss Included in Net Income	6.4		6.4	
Comprehensive Income	$17.0	$8.4	$13.2	$10.9

</TABLE>

In the second quarter, the Company recorded a $6.4 million after-tax charge to earnings for an other than temporary decline in the value of its long-term equity investment in a publicly-traded common stock. Changes in the market value of the investment, which is classified as "available-for-sale", had previously been charged to other comprehensive income and reflected in shareholders' equity.

NOTE E - SEGMENT REPORTING

The Company has two reportable segments offering different iron products and services to the steel industry. Iron Ore is the Company's dominant segment. The Ferrous Metallics segment consists of the hot briquetted iron ("HBI") venture project in Trinidad and Tobago and other developmental activities. "Other" includes non-reportable segments, the insurance claim recovery, the long-term investment charge related to publicly-traded common stock, and unallocated corporate administrative and other income and expense.

<TABLE>
<CAPTION>

	(In Millions)				
	Iron Ore	Ferrous Metallics	Segments Total	Other	Consolidated Total
<S>	<C>	<C>	<C>	<C>	<C>
Second Quarter 2000					
Sales and services to external customers	$ 116.6	$	$116.6	$	$ 116.6
Royalties and management fees	15.4		15.4		15.4
Total operating revenues	132.0		132.0		132.0
Income (loss) before taxes	19.4	(4.4)	15.0	1.0	16.0
Equity loss*		(3.9)	(3.9)		(3.9)
Investments in associated companies	142.2	84.4	226.6		226.6
Other identifiable assets	433.3	1.5	434.8	22.3	457.1
Total assets	575.5	85.9	661.4	22.3	683.7

* Included in income (loss) before taxes.
</TABLE>

<TABLE>
<CAPTION>

	(In Millions)				
	Iron Ore	Ferrous Metallics	Segments Total	Other	Consolidated Total
Second Quarter 1999					

Sales and services to external customers	$ 82.9	$	$ 82.9	$	$ 82.9
Royalties and management fees	13.5		13.5		13.5
Total operating revenues	96.4		96.4		96.4
Income (loss) before taxes	17.3	(2.9)	14.4	(3.8)	10.6
Equity loss*		(2.3)	(2.3)		(2.3)
Investments in associated companies	151.0	80.3	231.3		231.3
Other identifiable assets	462.7	3.3	466.0	18.0	484.0
Total assets	613.7	83.6	697.3	18.0	715.3
First Six Months 2000					
Sales and services to external customers	$140.4	$	$140.4	$	$ 140.4
Royalties and management fees	24.6		24.6		24.6
Total operating revenues	165.0		165.0		165.0
Income (loss) before taxes	22.4	(8.1)	14.3	(3.0)	11.3
Equity loss*		(7.1)	(7.1)		(7.1)
First Six Months 1999					
Sales and services to external customers	$ 96.5	$	$ 96.5	$	$ 96.5
Royalties and management fees	22.7		22.7		22.7
Total operating revenues	119.2		119.2		119.2
Income (loss) before taxes	26.3	(5.3)	21.0	(6.7)	14.3
Equity loss*		(3.4)	(3.4)		(3.4)

* Included in income (loss) before taxes.

</TABLE>

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

COMPARISON OF SECOND QUARTER AND FIRST SIX MONTHS 2000 AND 1999

Earnings for the second quarter of 2000 were $11.0 million, or $1.04 per diluted share (references to per share earnings are "diluted earnings per share"), and first six months earnings were $7.5 million, or $.71 per share. Earnings for both periods included a $9.8 million after-tax recovery on an insurance claim related to lost 1999 sales, and a $6.4 million after-tax charge to earnings to recognize the decrease in value of the Company's investment in publicly-traded common stock. Excluding the two special items, second quarter earnings were $7.6 million, or $.72 per share, and first half earnings were $4.1 million, or $.39 per share.

Net income in the second quarter of 1999 was $7.8 million, or $.70 per share. First half 1999 earnings were $10.5 million, or $.94 per share, including income from favorable after-tax adjustments of $2.8 million that mainly related to refunds of prior years' state taxes.

Following is a summary of results:

<TABLE>
<CAPTION>

(In Millions, Except Per Share)

Second Quarter	First Six Months

	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Income Before Special Items:				
Amount	$7.6	$7.8	$4.1	$7.7
Per Share	.72	.70	.39	.69
Special Items:				
Amount	3.4		3.4	2.8
Per Share	.32		.32	.25
Net Income:				
Amount	11.0	7.8	7.5	10.5
Per Share	1.04	.70	.71	.94

</TABLE>

Second quarter 2000 earnings before special items were $.2 million below 1999 reflecting higher pellet sales volume at lower margins and increased equity losses from Cliffs and Associates Limited ("CAL"), largely offset by increased royalties and management fees.

Excluding special items, earnings for the first six months of 2000 decreased $3.6 million from 1999, comprised of a $4.6 million decrease in pretax earnings and $1.0 million of related lower income taxes. The decrease in pretax earnings was primarily due to:

- Negative pellet sales margin of $1.8 million for the first six months of 2000 compared to a margin of $1.6 million in the comparable 1999 period, a margin decrease of $3.4 million summarized as follows:

<TABLE>
<CAPTION>

	(In Millions)			
			Increase (Decrease)	
	2000	1999	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Sales (Tons)	4.1	2.7	1.4	52%
Revenue from product Sales and services	$140.4	$96.5	$43.9	45%
Cost of goods sold and Operating expenses	142.2	94.9*	47.3	50%
Sales margin (loss)	$ (1.8)	$ 1.6	$ (3.4)	N/M

</TABLE>

*Excludes $4.3 million favorable adjustments mainly for prior years' tax credits (special item).

Lower average price realization and higher cost of sales were partly offset by increased sales volume. The lower average price largely reflected the mix of sales under various contracts. Operating costs were higher in 2000 primarily due to higher natural gas and diesel fuel costs, a temporary outage of the Empire Mine primary crushers in March, and a train derailment on the railroad which serves the Wabush Mine in February.

- Higher equity losses from CAL in 2000 reflecting ongoing difficulties in starting the hot briquetted iron ("HBI") plant in Trinidad and the fact that the CAL facility was still in construction through the first quarter of 1999. Equity losses from CAL in the first half of 2000 were $7.1 million, an increase of $3.7 million from 1999.

- Royalty and management fee revenue, including amounts paid by the Company as a participant in the mining ventures, increased by $1.9 million reflecting the impact of increased pellet sales volume in 2000 versus 1999.

The Company lost more than one million tons of iron ore pellet sales to Rouge Industries in 1999 as a result of the extended shutdown of two blast furnaces following a tragic explosion at the power plant that supplies Rouge. As a result, the Company has a business interruption insurance claim for $18.3 million. The Company has recorded a pre-tax recovery on the claim of $15.0 million ($9.8 million after-tax) in the second quarter based on negotiations with the insurance adjuster. The Company will continue to pursue the balance of the claim, but given the complexity of the insurance issues, any additional

amounts will not be recorded until outstanding issues are satisfactorily resolved.

The Company owns 842,000 shares of LTV Corporation ("LTV") common stock, which the Company received as a creditor in the 1993 reorganization of LTV. The shares were originally valued at $11.5 million, or $13.65 per share, when acquired. At June 30, 2000, the market value of the shares was $2.4 million, or $2.88 per share. The Company recorded a $9.1 million pre-tax charge ($6.4 million after-tax) to earnings in the second quarter to recognize the reduction in value. Previously, changes in the market value of the shares were charged directly to shareholders' equity.

CASH FLOW AND LIQUIDITY

At June 30, 2000, the Company had cash and cash equivalents of $23.5 million compared to $23.7 million at the same time last year. Since December 31, 1999, cash and cash equivalents decreased $44.1 million, primarily due to increased operating assets and liabilities, $52.8 million, capital and project expenditures, $12.6 million, dividends, $8.0 million, and repurchases of common shares, $5.5 million, partially offset by cash flow from operations, $34.8 million. The $52.8 million increase in operating assets and liabilities was primarily due to higher pellet inventory, $54.8 million, and the insurance claim receivable, $15.0 million, partly offset by lower trade accounts receivable, $19.4 million.

As a result of the Metropolitan Life Insurance Company ("MetLife") conversion from a mutual life insurance company to a stock life insurance company on April 7, 2000, the Company received approximately $5.3 million to be allocated to the Company, and current and former managed operations. Due to the complexities of the Company's policies with MetLife, including coverage for employees of both current and former managed operations, the Company has engaged an actuarial firm to independently develop an appropriate allocation method. Allocation of the proceeds has not yet been determined, but it is expected that the majority of the proceeds will be allocated to entities other than the Company. No amounts have been included in earnings pending completion of the allocation.

NORTH AMERICAN IRON ORE

Iron ore pellet production at the Company's managed mines in the second quarter of 2000 was 10.8 million tons compared to 10.5 million tons in 1999. First half production was 20.6 million tons, up from 20.1 million tons in 1999. The Company's share of 2000 production of 3.0 million tons in the second quarter and 5.8 million tons for the first six months of 2000 was equal to 1999. While production plans are subject to change as the year progresses, the six mines are scheduled to produce in excess of 42 million tons (Company share 11.8 million tons) in 2000 as compared to 36.2 million tons (Company share 8.8 million tons) in 1999.

Pellet sales in the second quarter of 2000 were 3.4 million tons compared to 2.4 million tons in 1999. Pellet sales for the first six months of 2000 were 4.1 million tons, an increase of 1.4 million tons from the 2.7 million tons sold in the first half of 1999. Iron ore pellet sales for the full year are projected to be 11.5 million tons (8.9 million tons were sold in 1999), largely due to improved markets and the return of customer blast furnace operations that were out of operation for most of 1999.

In May, 2000, LTV announced its intention to close its wholly-owned LTV Steel Mining Company ("LTVSMC") in mid year 2001. The Company is the manager of LTVSMC. In a related announcement, the Company reported that it had signed a long-term agreement to supply LTV with the majority of the iron ore it will need to purchase as a result of the intended closing of LTVSMC. The sales agreement will make the Company the principal supplier of iron ore pellets purchased by LTV for a 10-year period beginning in 2000. Sales to LTV are expected to be modest in 2000 and to increase to 1 million to 2 million tons in 2001. The Company's sales to LTV will account

for the majority of LTV's purchase requirements over the remainder of the contract term. Sales over the 10-year contract term are expected to total more than 50 million tons based on LTV's current requirements and should ensure that the Company will fully operate its existing 11.8 million tons sales capacity over the term of the contract. Additionally, the Company may increase its sales capacity. LTV will continue to be a 25 percent owner of the Company's managed Empire Mine in Michigan.

LTV has agreed not to put the LTVSMC assets up for sale until the Company has the opportunity to investigate alternative uses for the property. This investigation has commenced and could take up to the end of the year to

complete. The Company does not envision producing pellets, but will determine if the facilities can have a role in either alternative iron or other mineral production.

Capital expenditures at the six North American mining ventures and supporting operations are expected to total $54 million in 2000, with the Company's share of $23 million expected to be funded from current operations. Capital additions and replacements, including leased equipment, are expected to total $111 million in 2000 (Company share $35 million) for North American operations.

In April, 2000, Northshore Mining Company ("Northshore"), an indirect wholly-owned subsidiary of the Company, received a notice of violation with respect to fly ash storage and disposal from the Minnesota Pollution Control Agency ("MPCA") alleging violations of Northshore's 1996 National Pollutant Discharge Elimination/State Disposal System Permit. While the outcome of the alleged violations is uncertain, the Company does not expect compliance will have a material impact on the Company's operations or consolidated financial statements.

CLIFFS AND ASSOCIATES LIMITED
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On May 15, 2000, start-up activities at the CAL plant in Trinidad and Tobago were temporarily suspended in order to evaluate plant reliability and make modifications to portions of the plant. The entire plant was restarted on July 1 to test the functionality and reliability of the initial modifications and to gain additional operating experience. Results of the plant test have been positive. Although commercial grade briquettes have been produced, replacing the discharge system is necessary to improve material flow and obtain consistent feed of hot reduced iron to the briquetting machines. The required work would take the balance of the year to complete and allow briquette production to re-commence early in 2001. Total projected additional cash requirements for CAL to attain sustained production, including capital expenditures of $13 million to $15 million, working capital, and start-up costs, are estimated at between $30 million and $40 million. The Company is continuing to assess its options with regard to CAL, including a thorough evaluation of all alternatives.

CAPITALIZATION
- ----------

Long-term debt of the Company consists of $70.0 million of senior unsecured notes, which bear a fixed interest rate of 7.0 percent and are scheduled to be repaid on December 15, 2005. In addition to the senior unsecured notes, the Company has a $100 million revolving credit agreement. No borrowings are outstanding under this

agreement, which expires on May 31, 2003. The Company was in compliance as of June 30 with all financial covenants and restrictions of the agreements.

The fair value of the Company's long-term debt (which had a carrying value of $70.0 million) at June 30, 2000, was $66.2 million based on a discounted cash flow analysis utilizing estimated current borrowing rates.

In July, 2000, the Company announced an expansion to its stock repurchase program. The 1.0 million share increase in the program raises the total authorization to 3.0 million shares. To date, the Company has purchased 1,920,975 shares (215,500 shares in 2000), at a total cost of $69.4 million ($5.5 million in 2000).

Following is a summary of common shares outstanding:

	2000	1999	1998
March 31	10,714,796	11,209,734	11,344,605
June 30	10,502,367	11,211,376	11,322,047
September 30		11,053,349	11,148,453
December 31		10,647,199	11,150,654

STRATEGIC INVESTMENTS
- ----------

The Company is seeking additional investment opportunities, domestically and internationally, to broaden its scope as a supplier of iron units to the steel industry, including investments in iron ore mines or ferrous metallics facilities. In the normal course of business, the Company examines opportunities to increase profitability and strengthen its business position by evaluating various investment opportunities consistent with its business strategy. In the event of any future acquisitions or joint venture opportunities, the Company may consider using available liquidity, incurring additional indebtedness, project financing, or other sources of funding to make

investments.

FORWARD-LOOKING STATEMENTS
- --------------------------

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

- Displacement of iron production by North American integrated steel producers due to electric furnace production or imports of semi-finished steel or pig iron;

- Loss of major iron ore sales contracts;
- Changes in the financial condition of the Company's partners and/or customers;
- Substantial changes in imports of steel, iron ore, or ferrous metallic products;
- Displacement of steel by competing materials;
- Unanticipated changes in the market value of steel, iron ore or ferrous metallics;
- Domestic or international economic and political conditions;
- Major equipment failure, availability, and magnitude and duration of repairs;
- Unanticipated geological conditions or ore processing changes;
- Process difficulties, including the failure of new technology to perform as anticipated;
- Availability and cost of the key components of production (e.g., labor, electric power, fuel, water);
- Weather conditions (e.g., extreme winter weather, availability of process water due to drought);
- Changes in tax laws;
- Changes in laws, regulations or enforcement practices governing remediation requirements at existing environmental sites, remediation technology advancements, the impact of inflation, the identification and financial condition of other responsible parties, and the number of sites and the extent of remediation activity;
- Changes in laws, regulations or enforcement practices governing compliance with safety, health and environmental standards at operating locations; and,
- Accounting principle or policy changes by the Financial Accounting Standards Board or the Securities and Exchange Commission.

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

PART II - OTHER INFORMATION

Item 1. Legal Proceedings
- -------------------------

In April, 2000, Northshore, an indirect wholly-owned subsidiary of the Company, received a notice of violation from the MPCA alleging violations of Northshore's 1996 National Pollutant Discharge Elimination System/State Disposal System Permit concerning its disposal practices relating to ash and fines from its power plant. Among other things, the Permit required that before March 31, 2000, Northshore (i) cease utilizing a temporary landfill at its Mile Post 7

Tailings Basin area for disposal of fly ash, bottom ash, and pyritic coal fines from Northshore's power plant and (ii) remove all ash and fines (approximately 93,000 cubic yards) into a permitted industrial waste disposal facility. On March 31, 2000, Northshore ceased using the temporary landfill for currently-generated ash and fines. On July 10, 2000, Northshore received a solid waste permit from the MPCA for a proposed industrial solid waste land disposal facility to be constructed elsewhere on Northshore property. The MPCA has provided Northshore a draft Stipulation Agreement incorporating the violations relating to the fly ash and fines disposal and removal, together with other non-material water violations, and referencing potential civil penalties in the amount of approximately $370,000 and other non-monetary requirements regarding such violations, which Agreement is presently under negotiation. While the outcome of negotiations is uncertain, Northshore desires to settle these matters and is endeavoring to achieve a reduction in the amount of the proposed fine. Pending construction of the new industrial solid waste land disposal facility, Northshore is sending currently-generated bottom ash and fines to an offsite permitted industrial solid waste land disposal facility, storing currently-generated fly ash in a holding facility for which a permit has been received from the MPCA, and evaluating alternative courses of action.

Item 4. Submission of Matters to Vote of Security Holders

The Company's Annual Meeting of Shareholders was held on May 9, 2000. At the meeting the Company's shareholders acted upon the election of Directors, and a proposal to ratify the appointment of the Company's independent public accountants. In the election of Directors, all 11 nominees named in the Company's Proxy Statement, dated March 20, 2000, were elected to hold office until the next Annual Meeting of Shareholders and until their respective successors are elected. Each nominee received the number of votes set opposite his or her name:

NOMINEES	FOR	WITHHELD
John S. Brinzo	9,165,326	180,715
Ronald C. Cambre	9,164,982	181,059
Ranko Cucuz	8,791,452	554,589
James D. Ireland III	9,164,450	181,591
G. Frank Joklik	7,620,620	1,725,421
Leslie L. Kanuk	9,161,946	184,095
Anthony A. Massaro	9,164,792	181,249
Francis R. McAllister	9,165,382	180,659
John C. Morley	9,165,186	180,855
Stephen B. Oresman	9,162,886	183,155
Alan Schwartz	9,162,279	183,762

Votes cast in person and by proxy at such meeting for and against the adoption of the proposal ratifying the appointment of the firm of Ernst & Young LLP, independent public accountants, to examine the books of account and other records of the Company and its consolidated subsidiaries for the year 2000 were as follows: 9,332,137 Common Shares were cast for the adoption of the proposal; 6,113 Common Shares were cast against the adoption of the proposal; and 7,791 Common Shares abstained from voting on the adoption of the proposal.

There were no broker non-votes with respect to the election of directors, or the ratification of the independent public accountants.

Item 6. Exhibits and Reports on Form 8-K

(a) List of Exhibits - Refer to Exhibit Index on page 16.

(b) During the quarter for which this 10-Q Report is filed, the Company filed Current Reports on Form 8-K, dated May 9 and May 24, 2000, both covering information reported under ITEM 5. OTHER EVENTS. The Company also filed a Current Report on Form 8-K, dated July 11, 2000, covering information reported under ITEM 5. OTHER EVENTS. 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 July 27, 2000 By /s/ C. B. Bezik

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

EXHIBIT INDEX

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Exhibit Number	Exhibit	
<S>	<C>	<C>
10(a)	Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (Amended and Restated as of January 1, 2000)	Filed Herewith
10(b)	* Pellet Sale and Purchase Agreement, dated as of May 15, 2000, by and between The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, and LTV Steel Company, Inc.	Filed Herewith
10(c)	Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan, effective January 1, 2000 (Summary Description)	Filed Herewith
27	Consolidated Financial Data Schedule submitted for Securities and Exchange Commission information only	-
99(a)	Cleveland-Cliffs Inc News Release published on July 26, 2000, with respect to 2000 second quarter earnings	Filed Herewith

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

Exhibit 10(a)

CLEVELAND-CLIFFS INC

VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN (AMENDED AND RESTATED AS OF JANUARY 1, 2000)

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CLEVELAND-CLIFFS INC

VOLUNTARY NON-QUALIFIED DEFERRED COMPENSATION PLAN (AMENDED AND RESTATED AS OF JANUARY 1, 2000)

ARTICLE I

PURPOSE

1.1 STATEMENT OF PURPOSE; EFFECTIVE DATE. This is the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan (the "Plan") made in the form of this Plan and in related agreements between an Employer and certain management and highly compensated employees. The purpose of the Plan is to provide management and highly compensated employees of the Employers with the option to defer the receipt of a portion of their regular compensation, bonuses or performance shares payable for services rendered to the Employer. In addition, the Plan contains as Annex A a Management Share Acquisition Program (the "MSAP"), the purpose of which is to provide designated management employees with the opportunity to make deferred purchases of shares of the Company's common stock through deferral of their bonuses. In order to encourage participation in the MSAP, the Company will provide matching grants for such deferrals. The MSAP shall be subject to the special terms and conditions specified in Annex A. The Plan further contains as Annex B an Officer Share Acquisition Program (the "OSAP"), the purpose of which is to provide elected officers of the Company with the opportunity to make deferred purchases of shares of the Company's common stock through investment of all or a portion of their Deferral Accounts under the Plan. In order to encourage participation in the OSAP, the Company will provide matching grants for such elections. The OSAP shall be subject to the special terms and conditions specified in Annex B. It is intended that the Plan will assist in attracting and retaining qualified individuals to serve as officers and key managers of the Employers. The Plan, originally effective as of June 1, 1989, as amended, is amended and restated as of January 1, 2000.

ARTICLE II

DEFINITIONS

When used in this Plan and initially capitalized, except as may otherwise be provided in the MSAP and the OSAP, the following words and phrases shall have the meanings indicated:

2.1 ACCOUNT. "Account" means the sum of a Participant's Deferral Account and Matching Account under the Plan.

2.2 BASE SALARY. "Base Salary" means a Participant's base earnings paid by an Employer to a Participant without regard to any increases or decreases in base earnings as a result of an election to defer base earnings under this Plan, or an election between benefits or

cash provided under a plan of an Employer maintained pursuant to Section 125 or 401(k) of the Code.

2.3 BENEFICIARY. "Beneficiary" means the person or persons designated or deemed to be designated by the Participant pursuant to Article VII of the Plan and of Annex A and Annex B to receive benefits payable under the Plan in the event of the Participant's death.

2.4 BOARD. "Board" means the Board of Directors of the Company.

2.5 BONUS. "Bonus" means a Participant's annual bonus paid by an Employer to a Participant under the Cleveland-Cliffs Inc Management Performance Incentive Plan or Mine Performance Bonus Plan without regard to any decreases as a result of an election to defer all or any portion of a bonus under this Plan, or an election between benefits or cash provided under a plan of an Employer maintained pursuant to Section 401(k) of the Code.

2.6 CASH AWARD. "Cash Award" means any compensation payable in cash to an Eligible Employee for his or her services to the Company or a Selected Affiliate pursuant to the Company's 1992 Incentive Equity Plan.

2.7 CASH DIVIDEND BENEFIT. "Cash Dividend Benefit" means an

in-service distribution described in Section 6.4(c).

2.8 CHANGE IN CONTROL. "Change in Control" means the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors ("Voting Stock"); provided, however, that for purposes of this Section 2.8(i), the following acquisitions shall not constitute a Change in Control: (A) any issuance of Voting Stock of the Company directly from the Company that is approved by the Incumbent Board (as defined in Section 2.8(ii), below), (B) any acquisition by the Company of Voting Stock of the Company, (C) any acquisition of Voting Stock of the Company by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (D) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination (as defined in Section 2.8(iii) below) that complies with clauses (A), (B) and (C) of Section 2.8(iii), below; or

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this

purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) consummation of a reorganization, merger or consolidation involving the Company, a sale or other disposition of all or substantially all of the assets of the Company, or any other transaction involving the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 55% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Voting Stock of the Company, (B) no Person (other than the Company, such entity resulting from such Business Combination, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 2.8(iii).

2.9 CODE. "Code" means the Internal Revenue Code of 1986, as amended.

2.10 COMMITTEE. "Committee" has the meaning set forth in Section 8.1.

2.11 COMPANY. "Company" means Cleveland-Cliffs Inc and any successor thereto.

2.12 COMPENSATION. "Compensation" means the Base Salary and Bonus payable with respect to an Eligible Employee for each calendar year.

2.13 DECLARED RATE. "Declared Rate" for any period means the Moody's Corporate Average Bond Yield, as adjusted on the first business day of each January, April, July and October.

2.14 DEFERRAL ACCOUNT. "Deferral Account" means the account maintained on the books of the Employer pursuant to Article V for the purpose of accounting for (i) the amount of Compensation that a Participant elects to defer under the Plan, (ii) the portion of a Cash

Award that a Participant elects to defer in cash under the Plan, and (iii) an Employment Agreement Contribution (if any) made on behalf of a Participant.

2.15 DEFERRAL BENEFIT. "Deferral Benefit" means the benefit payable to a Participant or his or her Beneficiary pursuant to Article VI and based on such Participant's Account.

2.16 DEFERRED SHARE AWARD ACCOUNT. "Deferred Share Award Account" means the account maintained on the books of the Employer for a Participant pursuant to Article V.

2.17 DEFERRED SHARE AWARD BENEFIT. "Deferred Share Award Benefit" means the benefits payable in Shares to a Participant or his or her Beneficiary pursuant to Article V and based on such Participant's Deferred Share Award Account.

2.18 DETERMINATION DATE. "Determination Date" means a date on which the amount of a Participant's Account is determined as provided in Article V. The last business day of each month and any other date selected by the Committee shall be a Determination Date.

2.19 ELIGIBLE EMPLOYEE. "Eligible Employee" means a senior corporate officer of the Company or a full-time salaried employee of an Employer who has a Management Performance Incentive Plan or Mine Performance Plan Salary Grade EX-28 or above.

2.20 EMERGENCY BENEFIT. "Emergency Benefit" has the meaning set forth in Section 6.3.

2.21 EMPLOYER. "Employer" means, with respect to the Participant, the Company or the Selected Affiliate which pays such Participant's Compensation.

2.22 EMPLOYMENT AGREEMENT. "Employment Agreement" means a written agreement between an Employer and an Eligible Employee that provides for the deferral of compensation, and that may also provide for vesting, the crediting of earnings and other terms and conditions with respect to such deferred compensation.

2.23 EMPLOYMENT AGREEMENT CONTRIBUTION. "Employment Agreement Contribution" means any amount contributed to the Plan by an Employer pursuant to an Employment Agreement.

2.24 FAIR MARKET VALUE. "Fair Market Value" means the average of the highest and lowest sales prices of a Share on the specified date (or, if no Share was traded on such date, on the next preceding date on which it was traded) as reported in The Wall Street Journal.

2.25 MATCHING ACCOUNT. "Matching Account" means the account maintained on the books of an Employer pursuant to Article V for the purpose of accounting for the Matching Amount for each Participant.

2.26 MATCHING AMOUNT. "Matching Amount" means the amount credited to a Participant's Matching Account under Section 4.2.

2.27 MATCHING PERCENTAGE. "Matching Percentage" means the matching contribution percentage in effect for a specific Plan Year under the Savings Plan.

2.28 1992 INCENTIVE EQUITY PLAN. "1992 Incentive Equity Plan" means the Company's 1992 Incentive Equity Plan (as Amended and Restated as of May 13, 1997), as amended.

2.29 PARTICIPANT. "Participant" means any Eligible Employee who elects to participate by filing a Participation Agreement as provided in Section 3.2, in Annex A or in Annex B.

2.30 PARTICIPATION AGREEMENT. "Participation Agreement" means the agreement filed by a Participant, in the form prescribed by the Committee, pursuant to Section 3.2, Annex A or Annex B.

2.31 PLAN. "Plan" means the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan, as amended and restated as of January 1, 2000, as amended from time to time. The Plan includes Annex A and Annex B.

2.32 PLAN YEAR. "Plan Year" means a twelve-month period commencing January 1 and ending the following December 31.

2.33 SAVINGS PLAN. "Savings Plan" means, with respect to a Participant, one or more of the Cliffs and Associated Employers Salaried Employees Supplemental Retirement Savings Plan and the Northshore Mining Company and Silver Bay Power Company Retirement Savings Plan for which he or she is eligible to contribute.

2.34 SELECTED AFFILIATE. "Selected Affiliate" means (1) any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the chain owns or controls, directly or indirectly, stock possessing not less than 50 per cent of the total combined voting power of all classes of stock in one of the other corporations, or (2) any partnership or joint venture in which one or more of such corporations is a partner or venturer, each of which shall be selected by the Committee.

2.35 SHARE. "Share" means a share of common stock of the Company.

2.36 SHARE AWARD. "Share Award" means any compensation payable in Shares to an Eligible Employee for his or her services to the Company or a Selected Affiliate pursuant to the Company's 1992 Incentive Equity Plan.

2.37 SUBSIDIARY. "Subsidiary" means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding securities entitled to vote generally in the election of directors.

2.38 UNIT. "Unit" means an accounting unit equal in value to one (1) Share. The number of Units included in any Deferred Share Award Account shall be adjusted as appropriate to reflect any stock dividend, stock split, recapitalization, merger, spinoff or other similar event affecting Shares.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 ELIGIBILITY. Eligibility to participate in the Plan for any Plan Year with respect to deferral of Compensation is limited to those Eligible Employees who have elected to make the maximum elective contributions permitted them under the terms of the Savings Plan for such Plan Year. Any Eligible Employee is eligible to participate in the Plan for any Plan Year with respect to deferral of a Cash Award and/or a Share Award.

3.2 PARTICIPATION. Participation in the Plan shall be limited to Eligible Employees who elect to participate in the Plan by filing a Participation Agreement with the Committee, or on whose behalf an Employment Agreement Contribution is made to the Plan by an Employer. A properly completed and executed Participation Agreement shall be filed on or prior to the December 31 immediately preceding the Plan Year in which the Participant's participation in the Plan will commence. The election to participate shall be effective on the first day of the Plan Year following receipt by the Committee of the Participation Agreement. In the event that an Eligible Employee first becomes eligible to participate in the Plan or first commences employment during the course of a Plan Year, a Participation Agreement shall be filed with the Committee not later than 30 days following his or her eligibility date or date of employment. Each Participation Agreement for the Plan and the MSAP shall be effective only with regard to (i) Compensation, and, with respect to the MSAP, Bonus earned and payable following the later of the effective date of the Participation Agreement or the date the Participation Agreement is filed with the Committee, and (ii) a Cash Award and/or a Share Award the payment of which, if subsequently earned, is not earlier than the beginning of the second Plan Year following the date the Participation Agreement is filed with the Committee.

3.3 TERMINATION OF PARTICIPATION. A Participant may elect to terminate his or her participation in the Plan by filing a written notice thereof with the Committee. The termination shall be effective at any time specified by the Participant in the notice but (i) with respect to deferral of Compensation, and, with respect to the MSAP, Bonus, not earlier than the first day of the Plan Year immediately succeeding the Plan Year in which such notice is filed with the Committee, and (ii) with respect to deferral of a Cash Award

and/or a Share Award, only with respect to a Cash Award and/or a Share Award which becomes vested not earlier than the last day of the Plan Year which next follows the Plan Year in which such notice is filed with the Committee. Amounts credited to such Participant's Account or Deferred Share Award Account with respect to periods prior to the effective date of such termination shall continue to be payable pursuant to, receive interest on (where applicable), and otherwise governed by, the terms of the Plan. Notwithstanding any other provision of this Article III, a Participant who is actively employed by the Employer and who elects a distribution pursuant to Section 6.7 shall immediately terminate his or her participation in the Plan for the balance, if any, of the Plan Year during which the Participant's election is submitted to the Committee and for the next two Plan Years.

3.4 INELIGIBLE PARTICIPANT. Notwithstanding any other provisions of this Plan to the contrary, if the Committee determines that any Participant may not qualify as a "management or highly compensated employee" within the meaning of the Employee Retirement

Income Security Act of 1974, as amended ("ERISA"), or regulations thereunder, the Committee may determine, in its sole discretion, that such Participant shall cease to be eligible to participate in this Plan. Upon such determination, the Employer shall make an immediate lump sum payment to the Participant equal to the vested amount credited to his or her Account and Deferred Share Award Account. Upon such payment no benefit shall thereafter be payable under this Plan either to the Participant or any Beneficiary of the Participant, and all of the Participant's elections as to the time and manner of payment of his or her Account and Deferred Share Award Account will be deemed to be canceled.

ARTICLE IV

DEFERRAL OF COMPENSATION, CASH AWARDS AND SHARE AWARDS

4.1 DEFERRAL OF COMPENSATION. With respect to each Plan Year, a Participant may elect to defer a specified dollar amount or percentage of his or her Compensation, provided the amount of Compensation the Participant elects to defer under this Plan and the Savings Plan shall not exceed, in the aggregate, the sum of 25% (50% effective January 1, 1997) of his or her Base Salary net of such Participant's pretax elective deferrals under the Savings Plan, if any, plus 100% of his or her Bonus. A Participant may choose to have amounts of Compensation deferred under this Plan deducted from his or her Base Salary, Bonus or a combination of both. A Participant may change the dollar amount or percentage of his or her Compensation to be deferred by filing a written notice thereof with the Committee. Any such change shall be effective as of the first day of the Plan Year immediately succeeding the Plan Year in which such notice is filed with the Committee. Notwithstanding the foregoing, any Employment Agreement Contribution shall be deferred in accordance with the terms of the Employment Agreement.

4.2 MATCHING AMOUNTS. An Employer shall provide Matching Amounts under this Plan with respect to each Participant who is eligible to be allocated matching contributions under the Savings Plan. The total Matching Amounts under this Plan on behalf of a Participant for each Plan Year shall not exceed (i) the Matching Percentage of the Compensation deferred by a Participant under Section 4.1, up to a maximum of 7% of Compensation, less (ii) the Employer matching contributions allocated to the Participant under the Savings Plan for such Plan Year.

4.3 DEFERRAL OF CASH AWARDS. A Participant may elect to defer all or a specified dollar amount or percentage of his or her Cash Award with respect to a Plan Year, to be credited to his or her Deferral Account. A Participant may change the dollar amount or percentage of his or her Cash Award to be deferred by filing a written notice thereof with the Committee, which shall be effective only with respect to Cash Awards which become vested not earlier than the last day of the Plan Year which next follows the Plan Year in which such notice is filed with the Committee.

4.4 CREDITING DEFERRED COMPENSATION, MATCHING AMOUNTS, CASH AWARDS AND EMPLOYMENT AGREEMENT CONTRIBUTIONS.

(a) The amount of Compensation that a Participant elects to defer shall be credited by the Employer to the Participant's Deferral Account as of the time such Compensation would otherwise become payable to the Participant.

(b) The amount of the Employment Agreement Contribution (if

any) contributed for a Participant shall be credited by the Employer to the Participant's Deferral Account in accordance with the terms of the Employment Agreement.

(c) The amount of any Cash Award that a Participant elects to defer shall be credited to the Participant's Deferral Account as of the time such Cash Award would otherwise become payable to the Participant.

(d) The Matching Amount under the Plan for each Participant shall be credited by the Employer to the Participant's Matching Account at the same time that matching contributions are allocated under the Savings Plan.

4.5 DEFERRAL OF SHARE AWARDS. A Participant may elect to defer all or a specified number of Shares, or percentage of his or her Share Award with respect to a Plan Year, to be credited to his or her Deferred Share Award Account in Units. A Participant may change the percentage of his or her Share Awards to be deferred by filing a written notice thereof with the Committee, which shall be effective only with respect to Share Awards which become vested not earlier than the last day of the Plan Year which next follows the Plan Year in which such notice is filed with the Committee. No fractional Shares shall be deferred, but the number of Shares deferred shall be rounded down to the nearest whole Share.

4.6 CREDITING OF DEFERRED SHARE AWARDS. The number of Shares in a Share Award or percentage of Share Awards that a Participant elects to defer shall be credited to the Participant's Deferred Share Award Account in Units as of the time such Share Award would otherwise become payable to the Participant. The number of Units credited to the Participant's Deferred Share Award Account shall be equal to the number of Shares of a Participant's Share Award which the Participant has elected to defer.

ARTICLE V

BENEFIT ACCOUNTS

5.1 INVESTMENT OF DEFERRAL AND MATCHING ACCOUNTS. As soon as practicable after the crediting of any amount to a Participant's Deferral Account or Matching Account, the Company may, in its sole discretion, direct that the Company invest the amount credited, in whole or in part, in such property (real, personal, tangible or intangible), other than securities of the Company, (collectively the "Investments"), as the Committee shall direct, or may direct that the Company retain the amount credited as cash to be added to its general assets. The Committee may, but is under no obligation to, direct the investment of amounts credited to a Participant's Deferral Account or Matching Account in accordance with requests made by the Participant and communicated to the Committee. Earnings from Investments shall be credited to a Participant's Deferral Account or Matching Account and shall be reinvested, as soon as practicable, in the manner provided above. The Company shall be the sole owner and beneficiary of all Investments, and all contracts and other evidences of the Investments shall be registered in the name of the Company. The Company, under the direction of the Committee, shall have the unrestricted right to sell any of the Investments included in any Participant's Deferral Account or Matching Account, and the unrestricted right to reinvest the proceeds of the

sale in other Investments or to credit the proceeds of the sale to a Participant's Deferral Account or Matching Account as cash. Amounts credited to a Participant's Deferral Account or Matching Account that are not invested in Investments shall be credited to a Participant's Account as cash.

5.2 DETERMINATION OF ACCOUNT. As of each Determination Date, a Participant's Account shall consist of the following: (i) the balance of the Participant's Account as of the immediately preceding Determination Date, plus (ii) the Participant's deferred Compensation, Matching Amounts, deferred Cash Awards and Employment Agreement Contribution (if any) credited pursuant to Section 4.4 since the immediately preceding Determination Date and any earnings and/or income credited to such amounts pursuant to Sections 5.1 and 5.3 as of such Determination Date, minus (iii) any losses or other diminution in the value of assets in such Account since the immediately preceding Determination Date, minus (iv) the aggregate amount of distributions, if any, made from such Participant's Account since the immediately preceding Determination Date.

5.3 CREDITING OF INTEREST. As of each Determination Date, the amounts credited to a Participant's Account as cash shall be increased by the amount of interest earned since the immediately preceding Determination Date. Interest shall be credited at the Declared Rate as of such Determination Date based on the balance of the cash amounts credited to the Account since the immediately preceding Determination Date, but after such Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Interest for the period prior to the first Determination Date

applicable to a Participant's Account shall be deemed earned ratably over such period.

5.4 DETERMINATION OF DEFERRED SHARE AWARD ACCOUNT. On any particular date, a Participant's Deferred Share Award Account shall consist of the aggregate number of Units credited thereto pursuant to Section 4.6, plus any dividend equivalents credited pursuant to Section 5.5, minus the aggregate amount of distributions, if any, made from such Deferred Share Award Account.

5.5 CREDITING OF DIVIDEND EQUIVALENTS. Each Deferred Share Award Account shall be credited, as of the payment date of any cash dividend paid on Shares, with additional Units equal in value to the amount of cash dividends paid by the Company on that number of Shares equivalent to the Units in such Deferred Share Award Account on such payment date. Such dividend equivalents shall be valued using Fair Market Value. A Participant may elect to convert the Units representing such dividend equivalents to cash to be credited to his or her Deferral Account by filing a written notice thereof with the Committee, which shall be effective only with respect to cash dividends paid after the Plan Year in which such notice is filed with the Committee. Until a Participant or his or her Beneficiary receives his or her entire Deferred Share Award Account, the unpaid balance thereof credited in Units shall earn dividend equivalents as provided in this Section 5.5, except as provided in Section 6.4(c).

5.6 STATEMENTS. The Committee shall cause to be kept a detailed record of all transactions affecting each Participant's Account and Deferred Share Award Account and shall provide to each Participant, within 120 days after the close of each Plan Year, a written statement setting forth a description of the Investments and Units in such Participant's Account and

Deferred Share Award Account and the cash balance, if any, of such Participant's Account, as of the last day of the preceding Plan Year and showing all adjustments made thereto during such Plan Year.

5.7 VESTING OF ACCOUNT. Subject to the provisions of any Employment Agreement relating to an Employment Agreement Contribution (if any), a Participant shall be 100% vested in his or her Account and Deferred Share Award Account at all times.

ARTICLE VI

PAYMENT OF BENEFITS

6.1 PAYMENT OF DEFERRAL BENEFIT ON TERMINATION OF SERVICE OR DEATH. Upon the earlier of (i) termination of service of the Participant as an employee of the Employer and all Selected Affiliates, for reasons other than death, or (ii) the death of a Participant, the Employer shall, in accordance with this Article VI, pay to the Participant or his or her Beneficiary, as the case may be, a Deferral Benefit equal to the balance of his or her vested Account determined pursuant to Article V, less any amounts previously distributed; provided, however, that the Participant may by written notice filed with the Committee at least one (1) year prior to the Participant's voluntary termination of employment with, or retirement from, the Company and any affiliate of the Company, whether or not such affiliate is a Selected Affiliate, elect to defer commencement of the payment of his or her Deferral Benefit until a date selected in such election. Any such election may be changed by the Participant at any time and from time to time without the consent of any other person by filing a later signed written election with the Committee; provided that any election made less than one (1) year prior to the Participant's voluntary termination of employment or retirement shall not be valid, and in such case payment shall be made in accordance with the Participant's prior election, or otherwise in accordance with the first sentence of this Section 6.1.

6.2 PAYMENT OF DEFERRED SHARE AWARD BENEFIT ON TERMINATION OF SERVICE OR DEATH. Upon the earlier of (i) termination of service of the Participant as an employee of the Employer and all Selected Affiliates, for reasons other than death, or (ii) the death of a Participant, the Employer shall, in accordance with this Article VI, pay to the Participant or his or her Beneficiary, as the case may be, a Deferred Share Award Benefit equal to the balance of the Units in his or her Deferred Share Award Account determined pursuant to Article V, less any amounts previously distributed.

6.3 EMERGENCY BENEFIT. In the event that the Committee, upon written petition of a Participant, determines, in its sole discretion, that the Participant has suffered an unforeseeable financial emergency, the Employer shall pay to the Participant, as soon as practicable following such determination, an amount necessary to meet the emergency (the "Emergency Benefit"), but not exceeding the aggregate balance of such Participant's vested Deferral Account, Matching Account and Deferred Share Award Account as of the

date of such payment. For purposes of this Section 6.3, an "unforeseeable financial emergency" shall mean an unexpected need for cash arising from an illness, disability, casualty loss, sudden financial reversal or other such unforeseeable occurrence. Cash needs arising from foreseeable events such as the purchase of a house or education expenses for children shall not be considered to be

the result of an unforeseeable financial emergency. The amount of the Deferral Benefit and Deferred Share Award Benefit otherwise payable under the Plan to such Participant shall be adjusted to reflect the early payment of the Emergency Benefit.

6.4 IN-SERVICE DISTRIBUTION.

(a) A Participant may elect to receive an in-service distribution of his or her deferred Compensation, Matching Amount and earnings thereon with respect to a Plan Year beginning at any time at least four years after the date such Compensation otherwise would have been first payable. A Participant's election for an in-service distribution from his or her Account with respect to a Plan Year shall be filed in writing with the Committee before the first day of the Plan Year in which his or her deferred Compensation otherwise would have been first payable. The Participant may elect to receive an in-service distribution as provided in Section 6.5(a); provided, however, that Section 6.5(c) shall not apply to an in-service distribution. Any Deferral Benefit paid to the Participant as an in-service distribution shall reduce the amount of Deferral Benefit otherwise payable to the Participant under the Plan.

(b) A Participant may elect to receive an in-service distribution of his or her deferred Share Award and earnings with respect to a Plan Year beginning at any time at least four (4) years after the date such deferred Share Award otherwise would have been first payable. A Participant's election for an in-service distribution from his or her Deferred Share Award Account with respect to a Plan Year shall be filed in writing with the Committee not later than during the second Plan Year preceding the date the Share Award otherwise would have been first payable. The Participant may elect to receive such Deferred Share Award Benefit as an in-service distribution as provided in Section 6.5(b); provided, however, that Section 6.5(c) of the Plan shall not apply to such an in-service distribution. Any Deferred Share Award Benefit paid to the Participant as an in-service distribution shall reduce the amount of Deferred Share Award Benefit otherwise payable to the Participant under the Plan.

(c) A Participant may elect to receive an in-service distribution of his or her deferred Cash Award and earnings with a respect to a Plan Year beginning at any time at least four (4) years after the date such deferred Cash Award otherwise would have been first payable. A Participant's election for an in-service distribution from his or her Account with respect to a Cash Award for a Plan Year shall be filed in writing with the Committee not later during the second Plan Year preceding the date the Cash Award otherwise would have been first payable. The Participant may elect to receive such Deferral Benefit as an in-service distribution as provided in Section 6.5(a); provided, however, that Section 6.5(c) shall not apply to such an in-service distribution. Any Deferral Benefit paid to the Participant is an in-service distribution shall reduce the amount of Deferral Benefits otherwise payable to the Participant under the Plan.

(d) A Participant may elect to receive an in-service distribution of a Cash Dividend Benefit equal to the amount of the dividend equivalent to be credited to his or her Deferred Share Award Account pursuant to Section 5.5 as of the payment date of a cash dividend on Shares. A Participant's election for a Cash Dividend Benefit shall be

filed in writing with the Committee not later than during the second Plan Year preceding the date the dividend equivalent otherwise would be so credited to his or her Deferred Share Award Account.

6.5 FORM OF PAYMENT.

(a) The Deferral Benefit payable pursuant to Section 6.1, Section 6.4(a) or Section 6.4(c) shall be paid in one of the following forms, as elected by the Participant in his or her Participation Agreement or by written notice as provided in subsection (c) below:

(1) Annual payments of a fixed amount which shall

amortize the vested Account balance, or the in-service distribution portion thereof, as of the payment commencement date elected by the Participant over a period not to exceed fifteen years (together, in the case of each payment, with earnings thereon credited after the payment commencement date pursuant to Article V).

(2) A lump sum.

(3) A combination of (1) and (2) above. The Participant shall designate the percentage payable under each option.

Notwithstanding the foregoing, the Committee may, at any time, direct that installment payments under (1) or (3) above shall be made quarterly.

(b) The Deferred Share Award Benefit payable pursuant to Section 6.2 or Section 6.4(b) shall be paid in whole Shares plus cash equal in value to any fractional Share in one of the forms set forth in Section 6.5(a), without interest, but with dividend equivalents reinvested as provided in Section 5.5; subject, however, to Section 6.4(d). For the purpose of this Section 6.5(b), each distribution from a Deferred Share Award Account shall be valued on the basis of the Fair Market Value of the Shares on the date prior to the date payment of such distribution is made.

(c) The Participant's election of the form of payment shall be made by written notice filed with the Committee at least one (1) year prior to the Participant's voluntary termination of employment with, or retirement from, the Company and any affiliate of the Company, whether or not such affiliate is a Selected Affiliate. Any such election may be changed by the Participant at any time and from time to time without the consent of any other person by filing a later signed written election with the Committee; provided that any election made less than one (1) year prior to the Participant's voluntary termination of employment or retirement shall not be valid, and in such case payment shall be made in accordance with the Participant's prior election; and provided, further, that the Committee may, in its sole discretion, waive such one (1) year period upon a request of the Participant made while an active or inactive employee of the Company.

(d) The amount of each installment under Section 6.5(a) shall be equal to the quotient obtained by dividing the Participant's Account balance as of the date of such

installment payment by the number of installment payments remaining to be made to or in respect of such Participant at the time of calculation.

(e) The Cash Dividend Benefit payable pursuant to Section 6.4(c) shall be in the form of a lump sum.

(f) If a Participant fails to make an election with respect to his or her Account in a timely manner as provided in this Section 6.4, distribution shall be made in ten (10) annual installments of cash or Shares, as applicable.

(g) A Participant's Deferral Benefit and Deferred Share Award Benefit (or the remaining portions thereof if payment to the Participant had commenced) shall be distributed to his or her Beneficiary in the form of a single lump sum payment following his or her death.

6.6 COMMENCEMENT OF PAYMENTS. Commencement of payments under Section 6.1 or Section 6.2 of the Plan shall begin as soon as practicable, and in accordance with the payment commencement date elected by the Participant, following receipt of notice by the Committee of an event which entitles a Participant (or a Beneficiary) to payments under the Plan.

6.7 SPECIAL DISTRIBUTIONS. Notwithstanding any other provision of this Article VI except as provided in Section 6.9, a Participant, whether or not in pay status, may elect to receive a distribution of part or all of his or her Account or Deferred Share Award Account in one or more distributions if (and only if) the amount in either of such accounts subject to such distribution is reduced by six percent (6%). Any distribution made pursuant to such an election shall be made within 60 days of the date such election is submitted to the Committee. The remaining six percent (6%) of the portion of the electing Participant's account subject to such distribution shall be forfeited.

6.8 SMALL BENEFIT. In the event the Committee determines that the balance of the Participant's Account and Deferred Share Award Account is less than $50,000 at the time of commencement of payments, the Employer may pay the benefit in the form of a lump sum payment, notwithstanding any provision of

the Plan to the contrary. Such lump sum payment shall be equal to the balance of the Participant's Account, or the portion thereof payable to a beneficiary.

6.9 CHANGE IN CONTROL DISTRIBUTION. Notwithstanding any other provision of the Plan, including Annex A and Annex B, in the event of a Change in Control the balances in each Participant's accounts shall become nonforfeitable and shall be distributed in a single sum in cash and/or Common Shares within three (3) business days after such Change in Control.

ARTICLE VII

BENEFICIARY DESIGNATION

7.1 BENEFICIARY DESIGNATION. Each Participant shall have the right, at any time, to designate any person or persons as his or her Beneficiary to whom payment under the Plan shall be made in the event of his or her death prior to complete distribution to the

Participant of his or her Deferral Benefit or Deferred Share Award Benefit. Any Beneficiary designation shall be made in a written instrument filed with the Committee and shall be effective only when received in writing by the Committee.

7.2 AMENDMENTS. Any Beneficiary designation may be changed by a Participant by the filing of a new Beneficiary designation, which will cancel all Beneficiary designations previously filed.

7.3 NO DESIGNATION. If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, then the Participant's designated Beneficiary shall be deemed to be the Participant's estate.

7.4 EFFECT OF PAYMENT. Payment to a Participant's Beneficiary (or, upon the death of a Beneficiary, to the Beneficiary's estate) shall completely discharge the Employer's obligations under the Plan.

ARTICLE VIII

ADMINISTRATION

8.1 COMMITTEE. The administrative committee for the Plan (the "Committee") shall be those members of the Compensation and Organization Committee of the Board who are not Participants, as long as there are at least three such members. If there are not at least three such non-participating persons on the Compensation Committee, the chief executive officer of the Company shall appoint other non-participating Directors or Company officers to serve on the Committee. The Committee shall supervise the administration and operation of the Plan, may from time to time adopt rules and procedures governing the Plan and shall have authority to construe and interpret the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies and ambiguities in, the language of the Plan).

8.2 AGENTS. The Committee may appoint an individual, who may be an employee of the Company, to be the Committee's agent with respect to the day-to-day administration of the Plan. In addition, the Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

8.3 BINDING EFFECT OF DECISIONS. Any decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan shall be final and binding upon all persons having any interest in the Plan.

8.4 INDEMNITY OF COMMITTEE. The Company shall indemnify and hold harmless the members of the Committee and their duly appointed agents under Section 8.2 against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct by any such member or agent of the Committee.

ARTICLE IX

AMENDMENT AND TERMINATION OF PLAN

9.1 AMENDMENT. The Company, on behalf of itself and of each Selected Affiliate may at any time amend, suspend or reinstate any or all of the provisions of the Plan, except that no such amendment, suspension or reinstatement may adversely affect any Participant's Account or Deferred Share Award Account, as it existed as of the effective date of such amendment, suspension or reinstatement, without such Participant's prior written consent. Written notice of any amendment or other action with respect to the Plan shall be given to each Participant.

9.2 TERMINATION. The Company, on behalf of itself and of each Selected Affiliate, in its sole discretion, may terminate this Plan at any time and for any reason whatsoever. Upon termination of the Plan, the Committee shall take those actions necessary to administer any Accounts or Deferred Share Award Accounts existing prior to the effective date of such termination; provided, however, that a termination of the Plan shall not adversely affect the value of a Participant's Account or Deferred Share Award Account, the earnings from Investments credited to a Participant's Account under Section 5.1, the interest on cash amounts credited to a Participant's Account under Section 5.3, the crediting of dividend equivalents to a Participant's Deferred Share Award Account under Section 5.5, or the timing or method of distribution of a Participant's Account, or Deferred Share Award Account, without the Participant's prior written consent.

ARTICLE X

MISCELLANEOUS

10.1 FUNDING. Participants, their Beneficiaries, and their heirs, successors and assigns, shall have no secured interest or claim in any property or assets of the Employer. The Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Employer to pay money in the future. Notwithstanding the foregoing, in the event of a Change in Control, the Company shall create an irrevocable trust to hold funds to be used in payment of the obligations of Employers under the Plan, and the Company shall fund such trust in an amount equal to no less than the total value of the Participants' Accounts or Deferred Share Award Accounts under the Plan as of the Determination Date immediately preceding the Change in Control, provided that any funds contained therein shall remain liable for the claims of the respective Employer's general creditors.

10.2 NONASSIGNABILITY. No right or interest under the Plan of a Participant or his or her Beneficiary (or any person claiming through or under any of them), other than the surviving spouse of any deceased Participant, shall be assignable or transferable in any manner or be subject to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Beneficiary. If any Participant or Beneficiary (other than the surviving spouse of any deceased Participant) shall attempt to or shall transfer, assign, alienate, anticipate, sell, pledge or otherwise encumber his or her benefits hereunder or any part thereof, or if by reason of his or her

bankruptcy or other event happening at any time such benefits would devolve upon anyone else or would not be enjoyed by him or her, then the Committee, in its discretion, may terminate his or her interest in any such benefit to the extent the Committee considers necessary or advisable to prevent or limit the effects of such occurrence. Termination shall be effected by filing a written "termination declaration" with the Secretary of the Company and making reasonable efforts to deliver a copy to the Participant or Beneficiary whose interest is adversely affected (the "Terminated Participant").

As long as the Terminated Participant is alive, any benefits affected by the termination shall be retained by the Employer and, in the Committee's sole and absolute judgment, may be paid to or expended for the benefit of the Terminated Participant, his or her spouse, his or her children or any other person or persons in fact dependent upon him or her in such a manner as the Committee shall deem proper. Upon the death of the Terminated Participant, all benefits withheld from him or her and not paid to others in accordance with the preceding sentence shall be disposed of according to the provisions of the Plan that would apply if he or she died prior to the time that all benefits to which he or she was entitled were paid to him or her.

10.3 LEGAL FEES AND EXPENSES. It is the intent of the Company and each Selected Affiliate that following a Change in Control no Eligible Employee or former Eligible Employee be required to incur the expenses associated with the enforcement of his or her rights under this Plan by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to an Eligible Employee hereunder. Accordingly, if it should appear that the Employer has

failed to comply with any of its obligations under this Plan or in the event that the Employer or any other person takes any action to declare this Plan void or unenforceable, or institutes any litigation designed to deny, or to recover from, the Eligible Employee the benefits intended to be provided to such Eligible Employee hereunder, the Employer irrevocably authorizes such Eligible Employee from time to time to retain counsel of his or her choice, at the expense of the Employer as hereafter provided, to represent such Eligible Employee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Employer or any director, officer, stockholder or other person affiliated with the Employer in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Employer and such counsel, the Employer irrevocably consents to such Eligible Employee's entering into an attorney-client relationship with such counsel, and in that connection the Employer and such Eligible Employee agree that a confidential relationship shall exist between such Eligible Employee and such counsel. The Employer shall pay and be solely responsible for any and all attorneys' and related fees and expenses incurred by such Eligible Employee as a result of the Employer's failure to perform under this Plan or any provision thereof; or as a result of the Employer or any person contesting the validity or enforceability of this Plan or any provision thereof.

10.4 WITHHOLDING TAXES. If the Employer is required to withhold any taxes or other amounts from a Participant's deferred Compensation, Employment Agreement Contribution, deferred Cash Award or deferred Share Award pursuant to any state, federal or local law, such amounts shall, to the extent possible, be withheld from the Participant's Compensation, Cash Award or Share Award before such amounts are credited under the Plan. Any additional withholding amount required shall be paid by the Participant to the Employer as a

condition to the crediting of deferred Compensation, deferred Cash Award or deferred Share Award to the Participant's Account and Deferred Share Award Account, respectively. The Employer may withhold any required state, federal or local taxes or other amounts from any benefits payable in cash or Shares to a Participant or Beneficiary.

10.5 CAPTIONS. The captions contained herein are for convenience only and shall not control or affect the meaning or construction hereof.

10.6 GOVERNING LAW. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Ohio.

10.7 SUCCESSORS. The provisions of the Plan shall bind and inure to the benefit of the Company, its selected Affiliates, and their respective successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company or a Selected Affiliate and successors of any such corporation or other business entity.

10.8 RIGHT TO CONTINUED SERVICE. Nothing contained herein shall be construed to confer upon any Eligible Employee the right to continue to serve as an Eligible Employee of the Employer or in any other capacity.

10.9 PRIOR PLAN PROVISIONS. The provisions of the Plan in effect prior to January 1, 2000 shall govern periods prior to such date.

Executed this 19th day of July, 2000.

CLEVELAND-CLIFFS INC

By: /s/ R. F. Novak
Vice President-Human Resources

ANNEX A

CLEVELAND-CLIFFS INC

MANAGEMENT SHARE ACQUISITION PROGRAM

Terms and Conditions

ARTICLE I
ESTABLISHMENT

A 1.1 ESTABLISHMENT.

(a) This Article contains the following terms and conditions applicable to the MSAP.

(b) Credits, distributions and issuances of Shares under the MSAP may be made under the 1992 Incentive Equity Plan or otherwise.

A 1.2 TERM OF MSAP. The MSAP shall terminate upon the earliest of (a) the termination of the Plan, or (b) the termination by the Company of the MSAP.

ARTICLE II
DEFINITIONS

A 2.1 SPECIAL DEFINITIONS APPLICABLE TO THE MSAP. Unless provided otherwise in the MSAP, all capitalized terms shall have the same meanings as set forth in the Plan. For purposes of the MSAP, the following terms shall be defined as set forth below:

"ACCOUNT" means the bookkeeping account maintained for each Participant showing his or her interest under the MSAP. An Account shall consist of a "Cash Account," a "Deferred Shares Account" and a "Matching Shares Account". The number of Shares in an Account shall be adjusted as appropriate to reflect any stock dividend, stock split, recapitalization, merger, spinoff or other similar event affecting Shares.

"DEFERRAL COMMITMENT" means an agreement by a Participant in a Participation Agreement to have a specified percentage or dollar amount of his or her Bonus deferred under the MSAP for a specified period in the future.

"DEFERRED SHARES" means the Shares notionally credited to a Participant's Deferred Shares Account.

"DISABILITY" means a physical or mental condition of the Participant resulting from a bodily injury, disease, or mental disorder, which renders him or her incapable continuing in the active employment of the Company or Selected Affiliate (as determined by the Committee) based upon appropriate medical advice and examination.

"INSIDER PARTICIPANT" means any Participant who is required to file reports with the Securities and Exchange Commission pursuant to Section 16(a) of the Exchange Act, and any rules promulgated thereunder.

"MATCHING SHARES" means the notional Shares credited to a Participant's Matching Shares Account pursuant to Section A 5.1(a) and/or restricted shares issued to a Participant pursuant to Section A 5.1(b), as the context requires.

"QUARTER DATE" means the last day of a calendar quarter.

"RETIREMENT" means retirement from active employment with the Company and each of its Selected Affiliates on or after attaining age 65 or, if earlier, the age at which the Participant may retire with an unreduced normal retirement benefit under the tax-qualified pension benefit plan sponsored by the Company or a Selected Affiliate and applicable to the Participant, or early retirement under such plan with the consent of the Committee.

"SETTLEMENT DATE" means the later of the date on which a Participant terminates employment with the Company and each of its Selected Affiliates and the date selected by a Participant in a Participation Agreement for distribution of all or a portion of the amounts deferred during a Plan Year as provided in Section A 7.2. A leave of absence granted by the Company will not be considered a termination of employment during the term of such leave.

ARTICLE III
PARTICIPATION

A 3.1 PARTICIPATION. Any Eligible Employee may participate in the MSAP.

A 3.2 DURATION OF PARTICIPATION. Participation in the MSAP shall continue as long as the Participant is eligible to receive benefits under the MSAP.

ARTICLE IV
DEFERRALS AND VOLUNTARY AMOUNTS

A 4.1 AMOUNT OF DEFERRAL. As determined by the Committee with respect to each Plan Year, a Participant may elect to defer a specified dollar amount or percentage of his or her Bonus. An election to defer may be made prior to the beginning of any Plan Year by filing a Participation Agreement with the Committee in accordance with Section 3.2 of the Plan. An election to participate in the MSAP with respect to a Bonus for a Plan Year shall be made before such Bonus is payable at a time selected by the Chief Executive Officer of the Company.

A 4.2 AUTOMATIC DEFERRALS. A Participant's Bonus in excess of amounts deductible by the Company with respect to a Plan Year under Section 162(m) of the Code may be deferred under the MSAP under rules adopted by the Committee.

ARTICLE V
MATCHING CONTRIBUTIONS

A 5.1 MATCHING CONTRIBUTIONS.

The Company shall at the discretion of the Committee either

(a) credit to the Participant's Matching Shares Account 25% of the amounts allocated to his or her Deferred Shares Account directly as the result of Bonus deferrals made pursuant to Section A 4.1, but no such credit shall be made as the result of allocation of dividends pursuant to Section A 6.4. (Matching Shares credited pursuant to this Subsection shall become nonforfeitable in accordance with Section A 6.6); or

(b) issue restricted shares equal in number to 25% of the amounts allocated to his or her Deferred Shares Account directly as the result of Bonus deferrals made pursuant to Section A 4.1, but no such issuance shall be made as the result of allocation of dividends pursuant to Section A 6.4. (Restricted shares issued pursuant to this Subsection shall become nonforfeitable five years after the issuance, subject to such conditions of continuous employment and continuous share ownership as are set forth in a restricted share agreement by and between the Company and the Participant).

ARTICLE VI
PARTICIPANT ACCOUNTS

A 6.1 ESTABLISHMENT OF ACCOUNTS. The Company, through its accounting records, shall establish a Deferred Shares Account and a Cash Account, and, as necessary, a Matching Shares Account for each Participant who elects to defer a Bonus as provided in Section A 4.1.

A 6.2 CREDITING OF DEFERRAL COMMITMENTS AND MATCHING CONTRIBUTIONS. The portion of a Participant's Bonus that is deferred pursuant to a Deferral Commitment and any related matching contribution under Section A 5.1(a) shall be credited to the Participant's Deferred Shares Account and Matching Shares Account, respectively, as of the date the corresponding non-deferred portion of the Bonus would have been paid to the Participant; provided, however, that the portion of a Participant's Bonus that is deferred pursuant to Section A 4.2 shall be credited to the Participant's Account as of the date the Bonus would have been paid to the Participant absent the application of Section A 4.2. As of such payment date, (i) the credits to each Participant's Deferred Shares Account for each such payment date, shall be deemed invested in a number of whole Deferred Shares determined by dividing such credits by the Fair Market Value for such date, and (ii) the credits for such date to each Participant's Matching Shares Account shall be deemed invested in a number of whole Matching Shares determined by dividing such credits by the Fair Market Value for such date.

Fractional Shares shall be credited to the Cash Account.

A 6.3 DETERMINATION OF ACCOUNTS.

(a) The balance credited to each Participant's Account as of a particular date shall equal the amount credited pursuant to Section A 6.2, and shall be adjusted in the manner provided in Section A 6.4.

(b) The Company through its accounting records, shall maintain a separate and distinct record of the amount in each Account as adjusted to reflect income and distributions.

A 6.4 ADJUSTMENTS TO ACCOUNTS.

(a) (i) Each Account shall be credited, as of the payment date of any cash dividend paid on Shares, with additional Deferred Shares and Matching Shares equal in value to the amount of cash dividends paid by the Company on that number of Shares equivalent to the respective number of Deferred Shares and Matching Shares in such Account on such payment date. The dividend equivalents shall be calculated by dividing the dollar value of such dividend equivalents by the Fair Market Value at the dividend payment date. Fractional Shares shall be credited to the Cash Account.

(ii) A Participant may elect to convert the Deferred Shares representing a portion of such dividend equivalents to cash to be credited to his or her Cash Account by filing a written notice thereof with the Committee, which shall be effective only with respect to cash dividends paid after the Plan Year in which such notice is filed with the Committee. As of each Determination Date, Cash Accounts shall be increased by the amount of interest earned since the immediately preceding Determination Date. Interest shall be credited at the Declared Rate as of such Determination Date based on the balance of the cash amounts credited to the Cash Account since the immediately preceding Determination Date, but after such Cash Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Interest for the period prior to the first Determination Date applicable to a Participant's Cash Account shall be deemed earned ratably over such period. Until a Participant or his or her Beneficiary receives his or her entire Account, the unpaid balance thereof credited in Deferred Shares and Matching Shares shall be credited with dividend equivalents as provided in this Subsection, except as provided in Section A7.2.

(b) Each Participant's Account shall be immediately debited with the amount of any distributions under Article VIII to or on behalf of the Participant or, in the event of his or her death, his or her Beneficiary.

A 6.5 STATEMENT OF ACCOUNTS. As soon as practicable after the end of each calendar quarter, a statement shall be furnished to each Participant or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Account as of the end of the calendar quarter, any changes in his or her Account since the end of the immediately preceding calendar quarter, and such other information as the Committee shall determine.

A 6.6 VESTING OF ACCOUNTS.

(a) Except as provided in Section A 6.7, each Participant shall at all times have a nonforfeitable interest in his or her Deferred Shares Account balance and his or her Cash Account balance.

(b) Matching Shares attributable to credits pursuant to Section A 5.1(a) in a Participant's Matching Shares Account with respect to a Plan Year, and additional Matching Shares attributable to dividend credits with respect to such Matching Shares pursuant to Section

A 6.4(a)(i), shall become nonforfeitable as of the fifth anniversary of the crediting of the Matching Shares pursuant to Section A 5.1(a) (the "vesting period"), provided that:

(i) the Participant has remained in the continuous employ of the Company or a Selected Affiliate during the applicable vesting period; and

(ii) the Participant, during the applicable vesting period, does not receive a distribution of deemed Shares credited to his or her Deferred Shares Account as the result of the deferral by the Participant of the Bonus which relates to the crediting of the Matching Shares pursuant to Section A 5.1(a).

(c) Notwithstanding the provisions of Subsection (b) of this Section, the nonvested portion of a Participant's Account will become immediately nonforfeitable in the event of the Participant's death, Disability, or upon the occurrence of a Change in Control of the Company.

(d) Notwithstanding the provisions of Subsection (b) of this Section, the nonvested portion of a Participant's Account will become nonforfeitable in the event of the Participant's Retirement, provided that the Participant does not elect a distribution from the MSAP of the Shares attributable to the Deferred Shares relating to the nonvested Matching Shares until the fifth anniversary of the applicable date of issuance.

(e) Any portion of an Account as to which the requirements of Subsections (b), (c) or (d) of this Section have not been satisfied shall be forfeited, unless the Committee determines otherwise.

(f) For purposes of this Section, the continuous employment of a Participant with the Company or a Selected Affiliate shall not be deemed to have been interrupted, and the Participant will not be deemed to have ceased to be an employee of the Company or a Selected Affiliate, by reason of the transfer of his or her employment among the Company and its Selected Affiliates or of an approved leave or absence.

A 6.7 SPECIAL RULE FOR VALUATION OF DEFERRED SHARE ACCOUNT. Anything in the MSAP or the Plan to the contrary notwithstanding, in the event any Matching Shares are forfeited pursuant to Section A 6.6, or any restricted shares are forfeited under the restricted share agreement entered into pursuant to Section A 5.1(b), then the value of the Deferred Shares in the Deferred Shares Account to which such Matching Shares or restricted shares, as the case may be, are attributable shall be deemed to be the lesser of (a) the then Fair Market Value of such Deferred Shares, or (b) the value of the Bonus used to acquire such Deferred Shares plus interest at the Declared Rate as if the Bonus was credited with interest pursuant to Section 5.3 of the Plan. Such deemed value shall be distributed in cash.

ARTICLE VII
DISTRIBUTIONS

A 7.1 DISTRIBUTION OF ACCOUNT.

(a) A Participant or, in the event of his or her death, his or her Beneficiary shall be entitled to distribution of all or a part of the balance of his or her Account, payable in Shares as provided in this Article, following his or her Settlement Date or Dates; provided, however, that his or her Cash Account shall be payable in cash; and provided, further, that any fractional share shall be paid in cash with the final distribution of a Participant's Account.

(b) The number of Shares distributable shall be equal to the number of Deferred Shares and Matching Shares in the Participant's Account determined as of the Quarter Date coincident with or next following his or her Settlement Date or Dates.

A 7.2 IN-SERVICE DISTRIBUTION.

(a) A Participant may irrevocably elect to receive an in-service distribution of the Deferred Shares attributable to his or her deferred Bonus, and related nonforfeitable Matching Shares, for any Plan Year on or commencing not earlier than the beginning of the sixth Plan Year following the Plan Year in which such Bonus otherwise would have been first payable. A Participant's election of an in-service distribution shall be made in the Participation Agreement filed for the Plan Year as provided in Article III. The Participant shall elect irrevocably to receive such Deferred Shares and related Matching Shares as an in-service distribution of Stock under one of the forms provided in Section A 7.3.

(b) A Participant may irrevocably elect to receive an in-service distribution of cash equal to the amount of the dividend equivalent to be credited to his or her Deferred Shares Account pursuant to Section A 6.4(a)(i) as of the payment date of a cash dividend on Shares. A Participant's election for a cash distribution shall be filed in writing with the Committee not later than during the second Plan Year preceding the date the dividend equivalent otherwise would be so credited to his or her Account.

A 7.3 FORM OF DISTRIBUTION.

(a) As soon as practicable after the end of the Quarter Date in which a Participant's Settlement Date occurs, but in no event later than 30 days following the end of such Quarter Date, the Company shall distribute or cause to be distributed to the Participant a number of Shares and/or an amount

of cash as determined under Section A 7.1, under one of the forms provided in this Section.

(b) Distribution of a Participant's Account with respect to any Plan Year shall be made in cash and in whole Shares plus cash equal in value to any fractional Share in one of the forms set forth in Section 6.5(a) of the Plan, without interest, but with dividends reinvested as provided in Section 5.5 of the Plan; subject, however, to Section 6.4(d) of the Plan.

(c) In the event of a Participant's death, the cash and the number of Shares of Stock in his or her Account shall be distributed to his or her Beneficiary in a single distribution as soon as practicable after the end of the Quarter Date in which the Participant's death occurs.

(d) The Participant's election of the form of distribution shall be made at the time his or her initial election to defer is made pursuant to Section A 4.1, or if later by written notice filed with the Committee at least one year prior to the Participant's voluntary termination of employment with, or Retirement from, the Company. Any such election may be changed by the Participant at any time and from time to time without the consent of any other person by filing a later signed written election with the Committee; provided that any election made less than one year prior to the Participant's voluntary termination of employment or Retirement shall not be valid, and in such case payment shall be made in accordance with the Participant's prior election.

(e) The amount of cash and the number of Shares to be distributed in each installment shall be equal to the quotient obtained by dividing the amount of cash and the number of Deferred Shares and nonforfeitable Matching Shares in the Participant's Account as of the date of such installment payment by the number of installment payments remaining to be made to such Participant at the time of calculation. Fractional Shares shall be rounded down to the nearest whole share, and such fractional amount shall be re-credited as a fractional Deferred Share or Matching Share in the Participant's Account.

(f) If a Participant fails to make an election in a timely manner as provided in this Section, distribution shall be made in a single distribution as soon as practicable after the end of the Quarter Date in which a Participant's Settlement Date occurs.

A 7.4 SPECIAL DISTRIBUTIONS. Notwithstanding any other provision of the MSAP except Section A 6.7 and subject to Section 6.9 of the Plan, a Participant may elect at any time to receive a distribution of part or all of the nonforfeitable portion of his or her Account in one or more distributions if (and only if) the amount of cash and the number of Deferred Shares and nonforfeitable Matching Shares in the Participant's Account subject to such distribution is reduced by 6%. Any distribution made pursuant to such an election shall be made as soon as practicable following the date such election is submitted to the Committee. The remaining 6% of the portion of the electing Participant's Account subject to such distribution shall be forfeited. Forfeitable Matching Shares attributable to the portion of the electing Participant's Deferred Shares subject to such distribution shall also be forfeited.

A 7.5 FACILITY OF PAYMENT. Whenever and as often as any Participant or his or her Beneficiary entitled to payments under the MSAP shall be under a legal disability or, in the sole judgment of the Committee, shall otherwise be unable to apply such payments to his or her own best interests and advantage, the Committee in the exercise of its discretion may direct all or any portion of such payments to be made in any one or more of the following ways: (a) directly to him or her; (b) to his or her legal guardian or conservator; or (c) to his or her spouse or to any other person, to be expended for his or her benefit; and the decision of the Committee, shall in each case be final and binding upon all persons in interest.

A 7.6 EMERGENCY BENEFIT. In the event that the Committee, upon written petition of a Participant, determines, in its sole discretion, that the Participant has suffered an unforeseen financial emergency, the Company shall pay to the Participant, as soon as practicable following such determination, the Emergency Benefit in accordance with the standards set forth in Section A 6.3. Distributions pursuant to this Section may not be made in excess of the value of the Participant's nonforfeitable Account at the time of such distribution.

A 7.7 PAYMENT OF SMALL ACCOUNTS. Notwithstanding any other provision of the MSAP, if a Participant's Account is credited with 1,000 Shares or less on his or her Settlement Date, his or her Account shall be distributed to him or her in a single distribution as soon as practicable following his or her Settlement Date.

ANNEX B

CLEVELAND-CLIFFS INC

OFFICER SHARE ACQUISITION PROGRAM

Terms and Conditions

ARTICLE I

ESTABLISHMENT

B 1.1 ESTABLISHMENT.

(a) This Article contains the following terms and conditions applicable to the OSAP.

(b) Credits, distributions and issuances of Shares under the OSAP may be made under the 1992 Incentive Equity Plan or otherwise.

B 1.2 TERM OF OSAP. The OSAP shall terminate upon the earliest of (a) the termination of the Plan, or (b) the termination by the Company of the OSAP.

ARTICLE II

DEFINITIONS

B 2.1 SPECIAL DEFINITIONS APPLICABLE TO THE OSAP. Unless provided otherwise in the OSAP, all capitalized terms shall have the same meanings as set forth in the Plan. For purposes of the OSAP, the following terms shall be defined as set forth below:

"ACCOUNT" means the bookkeeping account maintained for each Participant showing his or her interest under the OSAP. An Account shall consist of a "Cash Account," an "Investment Shares Account" and a "Matching Shares Account". The number of Shares in an Account shall be adjusted as appropriate to reflect any stock dividend, stock split, recapitalization, merger, spinoff or other similar event affecting Shares.

"DISABILITY" means a physical or mental condition of the Participant resulting from a bodily injury, disease, or mental disorder, which renders him or her incapable continuing in the active employment of the Company or Selected Affiliate (as determined by the Committee) based upon appropriate medical advice and examination.

"INSIDER PARTICIPANT" means any Participant who is required to file reports with the Securities and Exchange Commission pursuant to Section 16(a) of the Exchange Act, and any rules promulgated thereunder.

"INVESTMENT COMMITMENT" means an agreement by a Participant in a Participation Agreement to have a specified percentage or dollar amount of his or her

Deferral Account invested in Shares and transferred for Plan accounting purposes to the OSAP.

"INVESTMENT SHARES" means the Shares notionally credited to a Participant's Investment Shares Account.

"MATCHING SHARES" means the notional Shares credited to a Participant's Matching Shares Account pursuant to Section B 5.1(a) and/or restricted shares issued to a Participant pursuant to Section B 5.1(b), as the context requires.

"QUARTER DATE" means the last day of a calendar quarter.

"RETIREMENT" means retirement from active employment with the Company and each of its Selected Affiliates on or after attaining age 65 or, if earlier, the age at which the Participant may retire with an unreduced normal retirement benefit under the tax-qualified pension benefit plan sponsored by the Company or a Selected Affiliate and

applicable to the Participant, or early retirement under such plan with the consent of the Committee.

"SETTLEMENT DATE" means the later of the date on which a Participant terminates employment with the Company and each of its Selected Affiliates and the date selected by a Participant in a Participation Agreement for distribution of all or a portion of the amounts deferred during a Plan Year as provided in Section B 7.2. A leave of absence granted by the Company will not be considered a termination of employment during the term of such leave.

ARTICLE III
PARTICIPATION

B 3.1 PARTICIPATION. Any Eligible Employee who is an elected officer of the Company may participate in the OSAP.

B 3.2 DURATION OF PARTICIPATION. Participation in the OSAP shall continue as long as the Participant is eligible to receive benefits under the OSAP.

ARTICLE IV
VOLUNTARY INVESTMENT OF DEFERRAL ACCOUNTS

B 4.1 AMOUNT OF INVESTMENT. As determined by the Committee with respect to each Plan Year, a Participant may elect to invest a specified dollar amount or percentage of his or her Deferral Account in Shares; provided, however, that no Participant may elect to invest any such amount or percentage in excess of that needed to enable such Participant to satisfy the Company's share ownership guidelines in effect from time to time. An election to participate in the OSAP for a Plan Year shall be made at a time selected by the Chief Executive Officer of the Company.

ARTICLE V
MATCHING CONTRIBUTIONS

B 5.1 MATCHING CONTRIBUTIONS.

The Company shall at the discretion of the Committee either

(a) credit to the Participant's Matching Shares Account 25% of the amounts allocated to his or her Investment Shares Account directly as the result of the election made pursuant to Section B 4.1, but no such credit shall be made as the result of allocation of dividends pursuant to Section B 6.4. (Matching Shares credited pursuant to this Subsection shall become nonforfeitable in accordance with Section B 6.6); or

(b) issue restricted shares equal in number to 25% of the amounts allocated to his or her Investment Shares Account directly as the result of the election made pursuant to Section B 4.1, but no such issuance shall be made as the result of allocation of dividends pursuant to Section B 6.4. (Restricted shares issued pursuant to this Subsection shall become nonforfeitable five years after the issuance, subject to such conditions of continuous employment and continuous share ownership as are set forth in a restricted share agreement by and between the Company and the Participant).

ARTICLE VI
PARTICIPANT ACCOUNTS

B 6.1 ESTABLISHMENT OF ACCOUNTS. The Company, through its accounting records, shall establish an Investment Shares Account and a Cash Account, and, as necessary, a Matching Shares Account for each Participant who elects to invest as provided in Section B 4.1.

B 6.2 CREDITING OF DEFERRAL COMMITMENTS AND MATCHING CONTRIBUTIONS. The portion of a Participant's Deferral Account that is invested pursuant to an Investment Commitment and any related matching contribution under Section B 5.1(a) shall be credited to the Participant's Investment Account and Matching Shares Account, respectively, as of the date the deemed investment in the Shares is made by the Participant. As of such investment date, (i) the credits to each Participant's Investment Shares Account for each such investment date, shall be deemed invested in a number of whole Investment Shares determined by dividing

such credits by the Fair Market Value for such date, and (ii) the credits for such date to each Participant's Matching Shares Account shall be deemed invested in a number of whole Matching Shares determined by dividing such credits by the Fair Market Value for such date. Fractional Shares shall be credited to the Cash Account.

B 6.3 DETERMINATION OF ACCOUNTS.

(a) The balance credited to each Participant's Account as of a particular date shall equal the amount credited pursuant to Section B 6.2, and shall be adjusted in the manner provided in Section B 6.4.

(b) The Company through its accounting records, shall maintain a separate and distinct record of the amount in each Account as adjusted to reflect income and distributions.

B 6.4 ADJUSTMENTS TO ACCOUNTS.

(a) (i) Each Account shall be credited, as of the payment date of any cash dividend paid on Shares, with additional Investment Shares and Matching Shares equal in value to the amount of cash dividends paid by the Company on that number of Shares equivalent to the respective number of Investment Shares and Matching Shares in such Account on such payment date. The dividend equivalents shall be calculated by dividing the dollar value of such dividend equivalents by the Fair Market Value at the dividend payment date. Fractional Shares shall be credited to the Cash Account.

(ii) A Participant may elect to convert the Investment Shares representing a portion of such dividend equivalents to cash to be credited to his or her Cash Account by filing a written notice thereof with the Committee, which shall be effective only with respect to cash dividends paid after the Plan Year in which such notice is filed with the Committee. As of each Determination Date, Cash Accounts shall be increased by the amount of interest earned since the immediately preceding Determination Date. Interest shall be credited at the Declared Rate as of such Determination Date based on the balance of the cash amounts credited to the Cash Account since the immediately preceding Determination Date, but after such Cash Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Interest for the period prior to the first Determination Date applicable to a Participant's Cash Account shall be deemed earned ratably over such period. Until a Participant or his or her Beneficiary receives his or her entire Account, the unpaid balance thereof credited in Investment Shares and Matching Shares shall be credited with dividend equivalents as provided in this Subsection, except as provided in Section B 7.2.

(b) Each Participant's Account shall be immediately debited with the amount of any distributions under Article VIII to or on behalf of the Participant or, in the event of his or her death, his or her Beneficiary.

B 6.5 STATEMENT OF ACCOUNTS. As soon as practicable after the end of each calendar quarter, a statement shall be furnished to each Participant or, in the event of his or her death, to his or her Beneficiary showing the status of his or her Account as of the end of the calendar quarter, any changes in his or her Account since the end of the immediately preceding calendar quarter, and such other information as the Committee shall determine.

B 6.6 VESTING OF ACCOUNTS.

(a) Except as provided in Section B 6.7, each Participant shall at all times have a nonforfeitable interest in his or her Investment Shares Account balance and his or her Cash Account balance.

(b) Matching Shares attributable to credits pursuant to Section B 5.1(a) in a Participant's Matching Shares Account with respect to a Plan Year, and additional Matching Shares attributable to dividend credits with respect to such Matching Shares pursuant to Section B 6.4(a)(i), shall become nonforfeitable as of the fifth anniversary of the crediting of the Matching Shares pursuant to Section B 5.1(a)(the "vesting period"), provided that:

(i) the Participant has remained in the continuous employ of the Company or a Selected Affiliate during the applicable vesting period; and

(ii) the Participant, during the applicable vesting period, does not receive a distribution of deemed Shares credited to his or her Investment Shares Account as the result of the investment by the Participant which relates to the crediting of the Matching Shares

pursuant to Section B 5.1(a).

(c) Notwithstanding the provisions of Subsection (b) of this Section, the nonvested portion of a Participant's Account will become immediately nonforfeitable in the event of the Participant's death, Disability, or upon the occurrence of a Change in Control of the Company.

(d) Notwithstanding the provisions of Subsection (b) of this Section, the nonvested portion of a Participant's Account will become nonforfeitable in the event of the Participant's Retirement, provided that the Participant does not elect a distribution from the OSAP of the Shares attributable to the Investment Shares relating to the nonvested Matching Shares until the fifth anniversary of the applicable date of issuance.

(e) Any portion of an Account as to which the requirements of Subsection (b) of this Section have not been satisfied shall be forfeited, unless the Committee determines otherwise.

(f) For purposes of this Section, the continuous employment of a Participant with the Company or a Selected Affiliate shall not be deemed to have been interrupted, and the Participant will not be deemed to have ceased to be an employee of the Company or a Selected Affiliate, by reason of the transfer of his or her employment among the Company and its Selected Affiliates or of an approved leave or absence.

B 6.7 SPECIAL RULE FOR VALUATION OF DEFERRED SHARE ACCOUNT. Anything in the OSAP or the Plan to the contrary notwithstanding, in the event any Matching Shares are forfeited pursuant to Section B 6.6, or any restricted shares are forfeited under the restricted share agreement entered into pursuant to Section B 5.1(b), then the value of the Investment Shares in the Investment Shares Account to which such Matching Shares or restricted shares, as the case may be, are attributable shall be deemed to be the lesser of (a) the then Fair Market Value of such Investment Shares, or (b) the value of the investment used to acquire such Investment Shares plus interest at the Declared Rate as if the cash balance was credited with interest pursuant to Section 5.3 of the Plan. Such deemed value shall be distributed in cash.

ARTICLE VII
DISTRIBUTIONS

B 7.1 DISTRIBUTION OF ACCOUNT.

(a) A Participant or, in the event of his or her death, his or her Beneficiary shall be entitled to distribution of all or a part of the balance of his or her Account, payable in Shares as provided in this Article, following his or her Settlement Date or Dates; provided,

however, that his or her Cash Account shall be payable in cash; and provided, further, that any fractional share shall be paid in cash with the final distribution of a Participant's Account.

(b) The number of Shares distributable shall be equal to the number of Investment Shares and Matching Shares in the Participant's Account determined as of the Quarter Date coincident with or next following his or her Settlement Date or Dates.

B 7.2 IN-SERVICE DISTRIBUTION.

(a) A Participant may irrevocably elect to receive an in-service distribution of the Investment Shares attributable to his or her investment, and related nonforfeitable Matching Shares, for any Plan Year on or commencing not earlier than the beginning of the sixth Plan Year following the Plan Year in which such investment was made. A Participant's election of an in-service distribution shall be made in the Participation Agreement filed for the Plan Year as provided in Article III. The Participant shall elect irrevocably to receive such Investment Shares and related Matching Shares as an in-service distribution of Stock under one of the forms provided in Section B 7.3.

(b) A Participant may irrevocably elect to receive an in-service distribution of cash equal to the amount of the dividend equivalent to be credited to his or her Investment Shares Account pursuant to Section B 6.4(a)(i) as of the payment date of a cash dividend on Shares. A Participant's election for a cash distribution shall be filed in writing with the Committee not later than during the second Plan Year preceding the date the dividend equivalent otherwise would be so credited to his or her Account.

B 7.3 FORM OF DISTRIBUTION.

(a) As soon as practicable after the end of the Quarter Date

in which a Participant's Settlement Date occurs, but in no event later than 30 days following the end of such Quarter Date, the Company shall distribute or cause to be distributed to the Participant a number of Shares and/or an amount of cash as determined under Section B 7.1, under one of the forms provided in this Section.

(b) Distribution of a Participant's Account with respect to any Plan Year shall be made in cash and in whole Shares plus cash equal in value to any fractional Share in one of the forms set forth in Section 6.5(a) of the Plan, without interest, but with dividends reinvested as provided in Section 5.5 of the Plan; subject, however, to Section 6.4(d) of the Plan.

(c) In the event of a Participant's death, the cash and the number of Shares of Stock in his or her Account shall be distributed to his or her Beneficiary in a single distribution as soon as practicable after the end of the Quarter Date in which the Participant's death occurs.

(d) The Participant's election of the form of distribution shall be made at the time his or her initial election to defer is made pursuant to Section B 4.1, or if later by written notice filed with the Committee at least one year prior to the Participant's voluntary termination of employment with, or Retirement from, the Company. Any such election may be changed by the Participant at any time and from time to time without the consent of any other person by filing a later signed written election with the Committee; provided that any election made less

than one year prior to the Participant's voluntary termination of employment or Retirement shall not be valid, and in such case payment shall be made in accordance with the Participant's prior election.

(e) The amount of cash and the number of Shares to be distributed in each installment shall be equal to the quotient obtained by dividing the amount of cash and the number of Investment Shares and nonforfeitable Matching Shares in the Participant's Account as of the date of such installment payment by the number of installment payments remaining to be made to such Participant at the time of calculation. Fractional Shares shall be rounded down to the nearest whole share, and such fractional amount shall be re-credited as a fractional Investment Share or Matching Share in the Participant's Account.

(f) If a Participant fails to make an election in a timely manner as provided in this Section, distribution shall be made in a single distribution as soon as practicable after the end of the Quarter Date in which a Participant's Settlement Date occurs.

B 7.4 SPECIAL DISTRIBUTIONS. Notwithstanding any other provision of the OSAP except Section B 6.7 and subject to Section 6.9 of the Plan, a Participant may elect at any time to receive a distribution of part or all of the nonforfeitable portion of his or her Account in one or more distributions if (and only if) the amount of cash and the number of Investment Shares and nonforfeitable Matching Shares in the Participant's Account subject to such distribution is reduced by 6%. Any distribution made pursuant to such an election shall be made as soon as practicable following the date such election is submitted to the Committee. The remaining 6% of the portion of the electing Participant's Account subject to such distribution shall be forfeited. Forfeitable Matching Shares attributable to the portion of the electing Participant's Investment Shares subject to such distribution shall also be forfeited.

B 7.5 FACILITY OF PAYMENT. Whenever and as often as any Participant or his or her Beneficiary entitled to payments under the OSAP shall be under a legal disability or, in the sole judgment of the Committee, shall otherwise be unable to apply such payments to his or her own best interests and advantage, the Committee in the exercise of its discretion may direct all or any portion of such payments to be made in any one or more of the following ways: (a) directly to him or her; (b) to his or her legal guardian or conservator; or (c) to his or her spouse or to any other person, to be expended for his or her benefit; and the decision of the Committee, shall in each case be final and binding upon all persons in interest.

B 7.6 EMERGENCY BENEFIT. In the event that the Committee, upon written petition of a Participant, determines, in its sole discretion, that the Participant has suffered an unforeseen financial emergency, the Company shall pay to the Participant, as soon as practicable following such determination, the Emergency Benefit in accordance with the standards set forth in Section B 6.3. Distributions pursuant to this Section may not be made in excess of the value of the Participant's nonforfeitable Account at the time of such distribution.

B 7.7 PAYMENT OF SMALL ACCOUNTS. Notwithstanding any other provision of the OSAP, if a Participant's Account is credited with 1,000 Shares or less on his or her Settlement Date, his or her Account shall be distributed to him or her in a single distribution as soon as practicable following his or

her Settlement Date.

Exhibit 10(b)

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

PELLET SALE AND PURCHASE AGREEMENT

THIS AGREEMENT, entered into, dated and effective as of May 15, 2000 ("Agreement"), by and between THE CLEVELAND-CLIFFS IRON COMPANY, an Ohio corporation ("Iron"), CLIFFS MINING COMPANY, a Delaware corporation ("Mining"), NORTHSHORE MINING COMPANY, a Delaware corporation ("Northshore"), (Iron, Mining and Northshore being collectively referred to herein as "Cliffs"), and LTV STEEL COMPANY, INC., a New Jersey corporation ("LTV").

RECITALS

WHEREAS, Cliffs desires to sell to LTV and LTV desires to purchase from Cliffs certain quantities of grades of iron ore standard pellets as follows: (i) such grades of iron ore standard pellets being those produced at the Empire Iron Mining Partnership iron ore pellet plant ("Empire Pellets"), located in Palmer, Michigan ("Empire Mine"); (ii) such grades of iron ore standard pellets being those produced at the Hibbing Taconite Company Joint Venture iron ore pellet plant ("Hibbing Pellets"), located in Hibbing, Minnesota ("Hibbing Mine"); (iii) such grades of iron ore standard pellets being those produced at the Northshore Mining Company iron ore pellet plant ("Northshore Pellets"), located in Silver Bay, Minnesota ("Northshore Mine"); or (iv) such other pellet grades as may be mutually agreed to by the parties hereto (such Empire Pellets, Hibbing Pellets, Northshore Pellets, and other mutually agreed upon pellets collectively being referred to herein as "Cliffs Pellets"), all on the conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Iron, Mining, Northshore and LTV agree as follows:

SECTION 1 - DEFINITIONS.

The terms quoted in the above parentheses of the first introductory paragraph of this Agreement and the WHEREAS clause, other terms quoted throughout this Agreement, and the terms defined below in this Section 1 shall have the meanings assigned to them for purposes of this Agreement. Attached as Appendix I to this Agreement is a locator list of all defined terms used throughout the Agreement.

(a). The words "LTV's Annual Equity Entitlements", as used herein, shall mean for any year the total tonnage of pellets which LTV or any subsidiary or affiliate of LTV is obligated or otherwise entitled to purchase, acquire or otherwise receive in any year by reason of LTV's direct or indirect ownership interest, as of January 1, 2000, in the (i) Empire Mine and (ii) LTV Steel Mining Company, a subsidiary of LTV, iron ore mine and pellet plant, located in Hoyt Lakes, Minnesota, and which tonnage is actually received by LTV or any subsidiary or affiliate of LTV.

(b). The words "[* * * *] Annual Equity Entitlements", as used herein, shall mean for any year the total tonnage of pellets which [* * * *] or any subsidiary or affiliate of [* * * *] is obligated or otherwise entitled to purchase, acquire or otherwise receive in any year by reason of [* * * *] direct or indirect ownership interest, as of January 1, 2000, [* * * *], and which tonnage is actually received by [* * * *]or any subsidiary or affiliate of [* * * *] and is subsequently sold to LTV in that year.

(c). The words "LTV's Annual Excess Pellet Tonnage Requirements", as used herein, shall mean for any year a tonnage amount equal to: (i) LTV's total annual pellet tonnage requirements required for consumption in LTV's iron and steel making facilities in any year at LTV's Indiana Harbor Works, located in Indiana Harbor, Indiana ("Indiana

Harbor Works"), and LTV's Cleveland Works, located in Cleveland, Ohio ("Cleveland Works"), less (ii) LTV's Annual Equity Entitlements.

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

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

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

SECTION 2 - SALE AND PURCHASE/TONNAGE.

(a). During the year 2000, Cliffs shall sell and deliver to LTV and LTV shall purchase and receive from Cliffs and pay for a tonnage of Cliffs Pellets which tonnage shall be equal to 100% of LTV's Annual Excess Pellet Tonnage Requirements for such year. LTV estimates that for the year 2000 LTV's Annual Excess Pellet Tonnage Requirements will be 600,000 tons and Cliffs agrees to sell Empire Pellets to satisfy LTV's Annual Excess Pellet Tonnage Requirements for the year 2000.

(b). During the year 2001, Cliffs shall sell and deliver to LTV and LTV shall purchase and receive from Cliffs and pay for a tonnage of Cliffs Pellets which tonnage shall be equal to 100% of: (i) LTV's Annual Excess Pellet Tonnage Requirements for such year, less (ii) [* * * *] Annual Equity Entitlements. In the event in year 2001 LTV's Annual Excess Pellet Tonnage Requirements would be less than 2,700,000 tons, then LTV shall purchase and receive from Cliffs and pay for a tonnage of Cliffs Pellets equal

to 63% of LTV's Annual Excess Pellet Tonnage Requirements in 2001.

(c). During each of the years 2002 through 2009, and each year thereafter as long as this Agreement remains in effect, Cliffs shall sell and deliver to LTV and LTV shall purchase and receive from Cliffs and pay for a tonnage of Cliffs Pellets which tonnage shall be equal to 100% of: (i) LTV's Annual Excess Pellet Tonnage Requirements for each such year, less (ii) [* * * *] Annual Equity Entitlements.

(d). LTV currently operates two blast furnaces at the Indiana Harbor Works and three blast furnaces at the Cleveland Works. In the event LTV permanently shuts down one or more of LTV's currently operating blast furnaces, LTV agrees to use its reasonable best efforts to keep the pellet purchase percentage, effective beginning in year 2002, between Cliffs and [* * * *] at a percentage consistent with the percentage of pellets LTV purchased from Cliffs and [* * * *] when LTV was operating five blast furnaces, provided that this Section 2(d) shall not be deemed to affect the agreement set forth in the first sentence of Section 4(b)(iii) below, which shall continue to be applicable in the event of the permanent shutdown of one or more blast furnaces.

SECTION 3 - QUALITY.

(a). Cliffs Pellets when loaded for shipment will be consistent with the typical and guaranteed limits analysis characteristics set forth in Exhibit 1. The typical analysis and standard deviations in the specifications set forth in Exhibit 1 shall be determined by using the vessel-by-vessel analysis for all vessels shipped during 1999 of Empire Pellets from the Port of Escanaba, Northshore Pellets from the Port of Silver Bay, and

Hibbing Pellets not screened prior to vessel loading at the Port of Allouez. The LTV/Cliffs Joint Continuous Improvement Team shall review the vessel-by-vessel analysis for 1999 shipments in order to verify the specifications set forth in Exhibit 1. Twice each year the vessel specification and calculated statistical performance shall be reviewed by the LTV/Cliffs Joint Continuous Improvement Team, and Cliffs and LTV may, by mutual agreement, update the pellet specifications set forth in Exhibit 1. LTV shall be entitled, at its expense, to have the vessel analysis data that is used to determine the specifications set forth in Exhibit 1 audited by Cliffs' independent auditors or by independent auditors mutually acceptable to Cliffs and LTV.

(b). In the event the monthly average vessel analysis exceeds one standard deviation as set forth in Exhibit 1, Cliffs will take such actions as shall be necessary to achieve specification conformity. If specification conformity cannot be achieved, LTV and Cliffs shall negotiate in good faith to determine what actions or remedies, if any, are appropriate.

(c). If any two vessel shipments made during any calendar month have analysis that exceeds the guaranteed limits in the specifications set forth in Exhibit 1, LTV may refuse any subsequent vessel shipments during that calendar month, and LTV shall not be required to accept any subsequent shipments until Cliffs has taken action to remedy the non-conformity so that future shipments will be within the analysis that meets the guaranteed limits in such specifications. If more than two vessel shipments made during any calendar month have analysis that exceeds such guaranteed limits, Cliffs and LTV shall negotiate an appropriate cost adjustment (if any) for the cargoes in

excess of the first cargo that exceeded the guaranteed limits, based upon the additional costs (if any) to LTV associated with the quality specifications in the additional vessel shipments made during that calendar month that exceeded such guaranteed limits.

SECTION 4 - NOTIFICATION AND NOMINATION.
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(a). With respect to the tonnage of Cliffs Pellets to be purchased by LTV for each of the years 2001 through 2009, as provided in Section 2, on or before November 1 of each of the years prior to the years above, LTV shall notify Cliffs in writing of LTV's preliminary tonnage of LTV's Annual Excess Pellet Tonnage Requirements which LTV shall purchase from Cliffs. Such notification shall include: (i) LTV's Annual Operating Plan for the following year detailed by months, as such Annual Operating Plan relates to LTV's planned monthly consumption of all pellets for such year; (ii) the tonnage of pellets which LTV expects to receive in the following year from LTV's Annual Equity Entitlements; (iii) the tonnage of pellets which LTV expects to receive in the following year from [* * * *] Annual Equity Entitlements; (iv) the tonnage of pellets which LTV expects to purchase in the following year from Cliffs; (v) LTV's expected total pellet inventory as of December 31 for the then current year; and (vi) LTV's planned total pellet inventory on December 31 for the following year.

(b). With respect to the tonnage of Empire Pellets, Hibbing Pellets and Northshore Pellets which Cliffs will have available for sale to LTV, on or before December 31 of each year prior to the years above, Cliffs shall notify LTV in writing as to the tonnage of Empire Pellets, Hibbing Pellets and Northshore Pellets which Cliffs has available for sale to LTV, which tonnage shall equal (i) LTV's Annual Excess Pellet

Tonnage Requirements for such year, less (ii) [* * * *] Annual Equity Entitlements. As relates to LTV's Cleveland Works, Cliffs understands that it is the desire of LTV to maximize the tonnage of Hibbing Pellets delivered by Cliffs for LTV's Cleveland Works and to have as much as possible of the non-Hibbing Pellet tonnage delivered by Cliffs for LTV's Cleveland Works be Northshore Pellets.

(i). Cliffs shall be permitted to annually sell Empire Pellets to meet all of LTV's Annual Excess Pellet Tonnage Requirements which LTV requires specifically for LTV's Indiana Harbor Works less [* * * *] Annual Equity Entitlements.

(ii). Cliffs shall be permitted to annually sell up to [* * * *] tons of Empire Pellets to meet LTV's Annual Excess Pellet Tonnage Requirements which LTV requires specifically for LTV's Cleveland Works; however, in such case, Cliffs will use its reasonable best efforts to minimize the tonnage of Empire Pellets for LTV's Cleveland Works.

(iii). Beginning in the year 2002, Cliffs will sell LTV [* * * *] equity share of annual production of Hibbing Pellets from the Hibbing Mine, estimated at [* * * *] tons annually. Cliffs will use commercially reasonable efforts to sell additional Hibbing Pellets to LTV so that the Hibbing Pellets supplied to LTV total [* * * *] tons annually, but any such additional tons will be supplied by Cliffs to LTV only on the condition that the costs to Cliffs in acquiring the

additional tons in any year does not exceed [* * * *] of Cliffs' estimated sales price per iron unit (as calculated under Section 5) for Hibbing Pellets sold to LTV during the applicable

year under this Agreement.

(c). With respect to LTV's Annual Excess Pellet Tonnage Requirements as provided for in Section 4(a) above, LTV shall notify Cliffs by the 10th day of each month for the year in determination: (i) LTV's actual consumption of all pellets for the previous month, and (ii) LTV's planned monthly consumption of all pellets for the balance of the year. In the first month's notice of each such year, as provided for under this Section (c), LTV shall also advise Cliffs of LTV's actual total pellet inventory as of December 31 for the previous year.

(d). If during the course of the year, LTV's Annual Excess Pellet Tonnage Requirements decrease from LTV's preliminary nomination provided pursuant to Section 4(a) above, then the tonnage of Cliffs Pellets which LTV shall purchase from Cliffs shall be reduced by an amount equal to the shortfall of the actual pellet consumption versus the nominated pellet consumption, with LTV using its reasonable best efforts to maintain relative pellet purchase percentages as between Cliffs and [* * * *]. In addition, LTV's Annual Excess Pellet Tonnage Requirements shall not be modified so as to change LTV's planned total pellet inventory at the end of the then current year unless such modification is mutually agreed to by Cliffs.

(e). If, during the course of the year, LTV's Annual Excess Pellet Tonnage Requirements increase from LTV's preliminary nomination provided pursuant to Section 4(a) above, then LTV shall notify Cliffs in writing of any such increase in LTV's Annual Excess Pellet Tonnage Requirements. Cliffs shall use its reasonable best efforts to supply such increased tonnage and shall advise LTV in writing within fifteen (15) days of

receipt of LTV's notice as to Cliffs' ability to supply all or any portion of such increased tonnage, which Cliffs shall sell and LTV shall purchase as provided for in Cliffs' notice at the prices provided for in this Agreement. In the event Cliffs cannot supply any portion of such increased tonnage, LTV and Cliffs shall work together and use their joint reasonable best efforts to attempt to procure such additional tonnage for LTV at the lowest cost practicable.

SECTION 5 - PRICE AND ADJUSTMENTS.
- ----------------------------------

(a)(i). The price for the Hibbing Pellets sold and purchased in each of the years 2000 and thereafter under Section 2 at the Port of Allouez, Wisconsin, shall be based on the 1999 base price of [* * * *] iron unit, based on actual natural iron content, f.o.b. vessel, Port of Allouez, Wisconsin ("1999 adjusted Hibbing price per iron unit") (the 1999 adjusted Hibbing price [* * * *] based on natural iron content of 64.50%), which 1999 adjusted Hibbing price per iron unit shall then be adjusted, up or down, in the year 2000 and each year thereafter by an amount as determined in accordance with Section [* * * *] below.

(ii). The price of the Northshore pellets sold and purchased in each of the years 2000 and thereafter under Section 2 at the Port of Silver Bay, Minnesota, shall be based on the 1999 base price of [* * * *] iron unit, based on actual natural iron content, f.o.b. vessel, Port of Silver Bay, Minnesota ("1999 adjusted Northshore price per iron unit") (the 1999 adjusted Northshore price [* * * *] based on natural iron content of 63.73%), which 1999 adjusted Northshore price per iron unit shall then be adjusted, up or down, in the year 2000 and each year thereafter by an amount as determined in

accordance with Section [* * * *] below.

(b). In order to determine the adjusted price to be paid each year for the [* * * *] Pellets and [* * * *] Pellets, as provided for under Sections [* * * *] and [* * * *]:

(1) [* * * *]

(A) [* * * *]

(x) [* * * *]
-

(y) [* * * *]
-

[* * * *]
=========

(B) [* * * *]

[* * * *]
=========

(C). [* * * *]

(x) [* * * *]
-

(y) [* * * *]
-

[* * * *]
=========

(D). [* * * *]

(x) [* * * *]
-

(y) [* * * *]
-

(2) [* * * *]

(3) [* * * *]

(c). The price for the [* * * *] Pellets sold and purchased in each of the years 2000 and thereafter under Section [* * * *]:

(1) [* * * *]

(2) [* * * *]

(i) [* * * *]

1) [* * * *]

2) [* * * *]

(ii) [* * * *]

3) [* * * *]

4) [* * * *]

(3) [* * * *]

(4) [* * * *]

(5) [* * * *]

(6) [* * * *]

(d). [* * * *]

(e)(i). The price for all tons sold by Cliffs to LTV shall be based on actual natural iron content.

(ii). All prices are stated in U.S. dollar values.

(f). Attached as Exhibit 3 is an example of the adjustment formula

applying the provisions of Sections 5(a) and (b); attached as Exhibit 4 is an example of the adjustment formula applying the provisions of Section 5(c), and attached as Exhibit 5 is an example of the adjustment formula applying the provisions of Section 5(d).

SECTION 6 - PAYMENTS AND ADJUSTMENTS.

(a)(i). Cliffs shall send LTV invoices in year 2000 for the Cliffs Pellets purchased by LTV in year 2000. LTV shall pay Cliffs all amounts due for the Cliffs Pellets

purchased in year 2000 [* * * *].

(ii). For the years 2001 and thereafter, Cliffs shall send LTV a statement at the end of each month setting forth the actual tonnage of Empire Pellets delivered during such month at the Port of Escanaba or the Port of Marquette, for the actual tonnage of Hibbing Pellets delivered during such month at the Port of Allouez, and for the actual tonnage of Northshore Pellets delivered during such month at the Port of Silver Bay, as the case may be. For the years 2001 and thereafter, Cliffs shall estimate the total amount due from LTV for the contract year based upon LTV's preliminary nomination and adjustments under Section 4, the estimated quantity of each grade of Cliffs Pellets being purchased by LTV, and the estimated price under Section 5. This total amount shall be divided by [* * * *] and LTV shall make equal monthly payments [* * * *] on the 15th of each month beginning with [* * * *] of the then current year through [* * * *] of the following year. The [* * * *] payment will be further adjusted to reflect the actual pellet tonnage purchased by LTV for the preceding contract year.

(b). On or before [* * * *] in the year following commencement of deliveries hereunder, or on such later date as may be fixed by mutual agreement of Cliffs and LTV, Cliffs will furnish LTV in writing the [* * * *] cost adjustments under Sections 5(b)(1)(A) and 5(b)(1)(B) respectively, and LTV will furnish Cliffs in writing the actual [* * * *] under Section 5(c)(5), and Cliffs shall prepare an invoice reflecting the final adjustments, including any adjustment for the actual natural iron content of the Cliffs Pellets sold to LTV, for the preceding year, if any, on the deliveries to LTV for the preceding year, and any overpayment by LTV or balances due from LTV in connection

with such year's deliveries shall be promptly adjusted by cash payment [* * * *] within 30 days of the invoice date.

(c). In the event LTV shall fail to make payment when due of all amounts, Cliffs, in addition to all other remedies available to Cliffs in law or in equity, shall have the right, but not the obligation, to withhold further performance by Cliffs under this Agreement until all claims Cliffs may have against LTV under this Agreement are fully satisfied.

(d). All payments shall be made in U.S. dollars.

SECTION 7 - SAMPLING AND ANALYSIS.

(a). All pellet sampling procedures and analytical tests conducted on Cliffs Pellets sold to LTV to demonstrate compliance with typical specifications and guaranteed limits shall be performed on each pellet vessel shipment. Test methods to be used shall be the appropriate ASTM or ISO standard methods published at the time of testing or the customary procedures and practices previously furnished by Cliffs to LTV, or any other procedures and practices that may be mutually agreed to by Cliffs and LTV. LTV may, at any time and from time to time through one or more authorized

representatives, be present during production, loading, or to observe sampling and analysis of pellets being processed for shipment to LTV.

(b) The LTV/Cliffs Joint Continuous Improvement Team shall establish and maintain a process control program to statistically track and monitor pellet production and shipments. LTV reserves the right to conduct quality audits with the producers at the producers' plants on an annual basis or more frequently in connection with a nonconforming quality situation.

(c) Cliffs shall use reasonable best efforts to report shipment analysis prior to vessel arrival at LTV's various lower lake docks via personal computer entries on LTV's computer host network. It is understood that this may not be practical for shipments from the Port of Escanaba to the Indiana Harbor Works. In the event data entry problems occur, Cliffs shall promptly fax or phone the vessel shipment data.

SECTION 8 - DELIVERY.
- ---------------------

(a). Cliffs, through Iron, shall deliver to LTV the annual tonnage of Empire Pellets, f.o.b. vessel at the Port of Escanaba, Michigan, or the Port of Marquette, Michigan, and title and all risk of loss, damage or destruction shall pass to LTV at the time of discharge of the Empire Pellets from the loading devices at the respective Port into the vessel.

(b). Cliffs, through Mining, shall deliver to LTV the annual tonnage of Hibbing Pellets, f.o.b. vessel at the Port of Allouez, Wisconsin, and title and all risk of loss, damage or destruction shall pass to LTV at the time of discharge of the Hibbing Pellets from the loading devices at the Port into the vessel.

(c). Cliffs, through Northshore, shall deliver to LTV the annual tonnage of Northshore Pellets, f.o.b. vessel at the Port of Silver Bay, Minnesota, and title and all risk of loss, damage or destruction shall pass to LTV at the time of discharge of the Northshore Pellets from the loading devices at the Port into the vessel.

SECTION 9 - SHIPMENTS.
- ----------------------

Shipments of Cliffs Pellets will be in approximately equal amounts over the nine-month period of April through December each year during the term of this Agreement, unless otherwise mutually agreed.

SECTION 10 - WEIGHTS.
- ---------------------

(a) Except as set forth in Section 10(b) below, vessel bill of lading weight determined by certified railroad scale weights or certified belt scale weights in accordance with the procedures in effect from time to time at each of the loading ports shall be accepted by the parties as finally determining the amount of Cliffs Pellets delivered to LTV pursuant to this Agreement.

(b) LTV shall have the right to draft survey vessels at the loading port at its expense. If the vessel bill of lading weight is more than [* * * *] higher or more than [* * * *] lower than the draft survey weight, then the draft survey weight shall be the weight used in calculating the value of the cargo.

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

SECTION 11 - EMPLOYMENT OF VESSELS.
- -----------------------------------

LTV assumes the obligation for arranging and providing appropriate vessels for the transportation of the Cliffs Pellets delivered by Cliffs to LTV hereunder. LTV shall arrange and provide for ore carrier or bulk carrier type vessels suitable in all respects to enter, berth at and leave the loading ports and suitable for the loading and mooring facilities at the loading ports. Cliffs shall arrange for suitable pellet loading facilities at the loading ports.

SECTION 12 - JOINT CONTINUOUS IMPROVEMENT TEAM.
- ---

LTV and Cliffs shall form a Joint Continuous Improvement Team to

address technical, quality, communication, transportation, and other cost savings opportunities that pertain to Cliffs' sale and LTV's purchase of Cliffs Pellets.

SECTION 13 - WARRANTIES.

THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHICH EXTEND BEYOND THE PROVISIONS OF THIS AGREEMENT, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR INTENDED PURPOSE. All notices of substantial variance in specifications of the Cliffs Pellets from the quality described herein shall be given in writing delivered to Cliffs within sixty (60) calendar days after completion of discharge at the port of discharge, or any claim arising from any such substantial variance shall be deemed waived by LTV. Each party shall afford the other party prompt and reasonable opportunity to inspect the Cliffs Pellets as to which any notice is given as above stated. The Cliffs Pellets shall not be returned to Cliffs without prior written consent of Cliffs. In no event shall Cliffs be liable for LTV's cost of processing, lost profits, injury to good will or any other special or consequential damages.

SECTION 14 - FORCE MAJEURE.

No party hereto shall be liable for damages resulting from failure to produce, deliver or accept and pay for all or any of the Cliffs Pellets as described herein, if and to the extent that such production, delivery or acceptance would be contrary to or would constitute a violation of any regulation, order or requirement of a recognized governmental body or agency, or if such failure is caused by or results directly or indirectly from acts of God, war, insurrections, interference by foreign powers, strikes, labor disputes, fires, floods, embargoes, accidents, or uncontrollable delays at the mines or either steel plant, on the railroads, docks or in transit, shortage of transportation facilities, disasters of navigation, or other causes, similar or dissimilar, that are beyond the control of the party charged with a failure to deliver or to accept and pay for the Cliffs Pellets. A party claiming a force majeure shall give the other party prompt notice of the force majeure, including the particulars thereof and, insofar as known, the probable extent and duration of the force majeure. To the extent a force majeure is claimed hereunder by a party hereto, such shall relieve the other party from fulfilling its corresponding agreement hereunder to the party claiming such force majeure, but only for the period affected by and to the extent of the claimed force majeure, unless otherwise mutually agreed to by the parties. The party that is subject to a force majeure shall use commercially reasonable efforts to cure or remove the force majeure event as promptly as possible to resume performance of its obligations under this Agreement.

SECTION 15 - NOTICES.

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

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

If to LTV:
200 Public Square
Cleveland, Ohio 44114
Attention: General Counsel
cc: General Manager - Procurement

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

SECTION 16 - TERM.

- ------------------

(a). The term of this Agreement shall commence as of May 15, 2000 and continue through December 31, 2009 (except as may be provided for in Subsection (b) below). Unless either party has given written notice of termination to the other party by December 31, 2007, this Agreement shall continue on an annual basis after December 31, 2009, subject to subsequent termination by either party upon not less than two

years' prior written notification to the other party, in which case the Agreement shall terminate at the end of the second succeeding year.

(b). In the event that the [* * * *], as determined by Section 5(d), is applicable causing a price increase from the average adjusted [* * * *] price per ton for two consecutive years after the year [* * * *] or causing a price decrease from the average adjusted [* * * *] price per ton for two consecutive years after the year [* * * *], either party may give written notification to the other party that such notifying party desires to renegotiate the adjustment factors and pricing provisions of Section 5. In the event either party gives notice under the first sentence of (b), both parties agree to negotiate in good faith new price provisions.

(1) If a notice is given, as provided for in the first sentence of (b) above, and an agreement is reached on new pricing arrangements prior to the [* * * *] in which written notification was given, this Agreement shall continue through the term as defined in Section 16(a), in accordance with the new agreed upon pricing arrangements.

(2) If a notice is given, as provided for in the first sentence of (b) above, and no agreement is reached on new pricing arrangements within [* * * *] after the written notification was given, this Agreement shall terminate at the end of the [* * * *] in which the [* * * *] negotiation period ends. (i.e., [* * * *]).

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

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

SECTION 17 - AMENDMENT.
- ------------------------

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

SECTION 18 - MERGER, TRANSFER AND ASSIGNMENT.
- ---

(a) LTV shall not merge, consolidate or reorganize with any person, partnership, corporation or other entity unless the surviving or resulting person, partnership, corporation or other entity assumes in writing all of LTV's obligations under this Agreement. Any obligations required to be assumed by a surviving or resulting person, partnership, corporation or entity in accordance with this Section 18(a) shall be limited to the LTV obligations under this Agreement, and this Section 18(a) is not intended (i) to impose and shall not be deemed to impose upon any such surviving or resulting person, partnership, corporation or entity, including LTV, any obligation with respect to any pellet requirements it may have for any facility or facilities it owns or operates other than the Indiana Harbor Works and the Cleveland Works, nor (ii) to allow the surviving or resulting person, partnership, corporation or other entity to substitute any other pellet tonnage available from any other pellet purchase or pellet equity commitment of such surviving or resulting person, partnership, corporation or other entity in order to satisfy the assumed obligations under this Agreement.

(b) LTV shall not sell or transfer all or any of the blast furnace operations at (i) the Indiana Harbor Works, (ii) the Cleveland Works, or (iii) both the Indiana Harbor Works and the Cleveland Works to any other person, partnership, corporation, joint venture or other entity ("Transferee") unless the Transferee assumes in writing all of LTV's obligations under this Agreement, as such obligations relate to the Indiana Harbor

Works and/or the Cleveland Works being sold or transferred. Any obligations required to be assumed by a Transferee in accordance with this Section 18(b) shall be limited to the LTV obligations under this Agreement relating to the particular facility or facilities sold or transferred, provided that LTV may, in its discretion, agree to provide to a Transferee some or all of LTV's Annual Equity Entitlements and [* * * *] Annual Equity Entitlements, which, if provided, shall reduce the pellet tonnage requirements of the Transferee under this Agreement in the manner set forth in this Agreement. This Section 18(b) is not intended (i) to impose and shall not be deemed to impose upon any such Transferee any obligation with respect to any pellet requirements such Transferee may have for any facility or facilities such Transferee owns or operates other than the Indiana Harbor Works and/or the Cleveland Works, nor (ii) to allow such Transferee to substitute any other pellet tonnage available from any other pellet purchase or pellet equity commitment of such Transferee in order to satisfy the assumed obligations under this Agreement.

(c) LTV shall not assign its rights or delegate its obligations under this Agreement except as provided in Section 18(a) or 18(b).

(d) Cliffs shall not merge, consolidate or reorganize with any person, partnership, corporation or other entity unless the surviving or resulting person, partnership, corporation or other entity assumes in writing all of Cliffs' obligations under this Agreement. Cliffs shall not sell or transfer all or substantially all of its iron ore business to any other person, partnership, corporation, joint venture or other entity ("Cliffs Transferee") unless the Cliffs Transferee assumes in writing all of Cliffs' obligations under this Agreement.

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

(e) Cliffs shall not assign its rights or delegate its obligations under this Agreement except as provided in Section 18(d).

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

SECTION 19 - WAIVER.
- --------------------

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

SECTION 20 - CONFIDENTIALITY.
- -----------------------------

(a) Cliffs and LTV acknowledge that this Agreement contains certain pricing, adjustment and term provisions which are confidential, proprietary or of a sensitive commercial nature and which would put Cliffs or LTV at a competitive disadvantage if disclosed to the public, specifically, Section 4(b)(iii), Section 5, Section 6 and Section 16(b) ("Confidential Information"). Cliffs and LTV agree that all provisions of this Agreement shall be kept confidential and, without the prior written consent of the other party, shall not be disclosed to any party not a party to this Agreement except as required by law or governmental or judicial order and except that disclosure of the existence of this Agreement shall not be precluded by this Section 20.

(b) If either party is required by law or governmental or judicial order or receives legal process or court or agency directive requesting or requiring disclosure of any of the Confidential Information contained in this Agreement, such party will promptly

notify the other party prior to disclosure to permit such party to seek a protective order or take other appropriate action to preserve the confidentiality of such Confidential Information. If either party determines to file this Agreement with the Securities and Exchange Commission ("Commission") or any other federal, state or local governmental or regulatory authority, or with any stock exchange or similar body, such determining party will use its reasonable best efforts to obtain confidential treatment of such Confidential

Information pursuant to any applicable rule, regulation or procedure of the Commission and any applicable rule, regulation or procedure relating to confidential filings made with any such other authority or exchange. If the Commission (or any such other authority or exchange) denies such party's request for confidential treatment of such Confidential Information, such party will use its reasonable best efforts to obtain confidential treatment of the portions thereof that the other party designates. Each party will allow the other party to participate in seeking to obtain such confidential treatment for Confidential Information.

SECTION 21 - GOVERNING LAW.

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

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of May 15, 2000.

THE CLEVELAND-CLIFFS IRON COMPANY	LTV STEEL COMPANY, INC.
/s/ A. Stanley West	/s/ R.J. Hipple
Senior Vice President	President

CLIFFS MINING COMPANY

/s/ A. Stanley West
Senior Vice President

NORTHSHORE MINING COMPANY

/s/ D.J. Gallagher
Vice President

APPENDIX I

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

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

EXHIBIT 1

[* * * *]

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

EXHIBIT 2

[* * * *]

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

EXHIBIT 3

[* * * *]

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

EXHIBIT 4

[* * * *]

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

EXHIBIT 5

[* * * *]

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

CLEVELAND-CLIFFS INC AND SUBSIDIARIES
MANAGEMENT PERFORMANCE INCENTIVE PLAN
SUMMARY

EFFECTIVE JANUARY 1, 2000

1. The Management Performance Incentive Plan ("MPI Plan") provides a significant financial incentive for designated management employees of Cleveland-Cliffs Inc and subsidiaries ("Company") to maximize Company, unit, and personal performance in achieving current results and longer range objectives. The Plan is designed to place a significant portion of annual compensation at risk with performance and to provide above average compensation for outstanding performance.

2. The MPI Plan is administered by the Company's Compensation and Organization Committee ("Committee") which is composed of non-employee Directors, none of whom are eligible to participate in the Plan.

3. Participants in the Plan are officers and salaried employees in designated management positions. The number of designated management positions is controlled through the salaried position classification process to maintain an efficient ratio of management to non-management employees.

4. Each position is classified in a salary grade based on a study of national compensation data and internal organizational relationships. Position classifications are periodically reviewed to maintain a compensation level which is competitive with similar positions in similar companies. The general objective is to establish salary grades based on 50th percentile of survey data.

5. The study of national compensation data includes determination of typical performance bonus payments for management positions at various responsibility levels. This data is used to determine a competitive percentage "target bonus" based upon the salary range midpoint. All jobs in a salary grade have the same target bonus. The percentage targets may be revised periodically according to survey data.

6. The Chief Executive Officer ("CEO") approves the classification, salary range, and percentage target bonus for all management positions except officer positions of Secretary rank and higher, which are approved by the Committee. The Committee is provided a list of all position classifications, salary ranges and target bonuses annually.

7. Each year the Committee will approve a bonus funding structure which will be used to determine the participants' bonus pool for the then current year based on the Company's performance as measured by pre-tax return on net assets (EBT RONA). The levels of EBT RONA required under the bonus funding structure will be calibrated each year based upon the current business environment with a minimum bonus opportunity threshold approximately equal to the Company's royalty and management fee income. Upside bonus payments (beyond threshold) are based upon business plan targets for the year. Notwithstanding the established EBT/RONA levels for such year, and if otherwise warranted, the Committee has the discretion to approve a bonus pool of up to 35% of the target bonus for elected officers and up to 50% of the target bonus for management positions

8. In the January following the close of each year, the participants' bonus pool will be determined using the EBT RONA bonus funding formula. Such funded pool can be zero and cannot exceed 300% of the officers' aggregate target bonuses and cannot exceed 200% of the non-officers' aggregate target bonuses. Of the funded pool, 75% will be distributed to participants on a ratable basis according to their target bonuses. The remaining 25% of the funded pool will be distributed based upon a judgment by the CEO and Committee as to how well each participant's performance has supported the Company in meeting its strategic objectives for the year. Upon the approval of the Committee, an additional bonus pool of 10% of target bonuses will be set aside for distribution at the discretion of the CEO. When used, discretionary awards will reward participants whose contributions to achievement of strategic objectives exceeded all expectations.

9. At the discretion of the Committee and subject to the availability of authorized stock, awards may be made in cash or shares of the Company's stock or a combination thereof, and restrictions may be placed on the vesting of any stock award.

10. Generally, bonus payments to participants will be made by the end of February for the prior calendar year after audited financial results are determined.

11. Following designation as a participant in the Plan and prior to the payment of a bonus, neither the participant nor the estate or anyone claiming through such participant has any right to share in the bonus pool for such year. However, the Plan provides, at the sole discretion of the Committee and CEO, that awards may be made to a participant whose employment terminates during the calendar year

or to the participant's beneficiaries when circumstances warrant favorable consideration for an award for such year.

12. A participant has no right, title or interest in any assets of the Company and subsidiaries by reason of any award made pursuant to this Plan and such award reflects only an unsecured contractual obligation to make the payment to the participant of the approved award under the terms and conditions of the Plan.

13. The Board of Directors may modify or terminate this Plan at any time.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
STATEMENTS OF CONSOLIDATED INCOME, CONSOLIDATED FINANCIAL POSITION AND
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TO SUCH FINANCIAL STATEMENTS.
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Exhibit 99(a)

NEWS RELEASE

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

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CLEVELAND-CLIFFS REPORTS
SECOND QUARTER 2000 EARNINGS

Cleveland, OH, July 26, 2000 - Cleveland-Cliffs Inc (NYSE:CLF) today reported second quarter earnings of $11.0 million, or $1.04 per diluted share, and first half earnings of $7.5 million, or $.71 per diluted share. Earnings for both periods included a $9.8 million after-tax recovery on an insurance claim related to lost 1999 sales, and a $6.4 million after-tax charge to earnings to recognize the decrease in value of the Company's investment in publicly-traded common stock. Excluding the two special items, second quarter earnings were $7.6 million, or $.72 per diluted share, and first half earnings were $4.1 million, or $.39 per diluted share.

Net income in the second quarter of 1999 was $7.8 million, or $.70 per diluted share. First half 1999 earnings were $10.5 million, or $.94 per diluted share, including income from favorable after-tax adjustments of $2.8 million that mainly related to refunds of prior years' state taxes.

Following is a summary of results:

	(In Millions, Except Per Share)			
	Second Quarter		First Half	
	2000	1999	2000	1999
Income Before Special Items:				
Amount	$ 7.6	$7.8	$4.1	$ 7.7
Per Share	.72	.70	.39	.69
Special Items:				
Amount	3.4	-	3.4	2.8
Per Share	.32	-	.32	.25
Net Income:				
Amount	11.0	7.8	7.5	10.5
Per Share	1.04	.70	.71	.94

Before special items, second quarter 2000 earnings were $.2 million below 1999, and first half earnings in 2000 were $3.6 million lower than 1999. The decreases in second quarter and first half earnings were primarily due to lower pellet sales margins and higher equity losses from Cliffs and Associates Limited (CAL), partially offset by higher sales volume and increased royalties and management fees.

John S. Brinzo, Cliffs' Chairman and Chief Executive Officer said, "Despite a $1.6 million increase in the equity loss from CAL in the second quarter of 2000, Cliffs reported higher per share earnings before special items. The improvement reflects higher earnings from Cliffs' core iron ore business in 2000 and the reduction in shares outstanding from share repurchase activity over the last year."

Iron ore pellet sales in the second quarter of 2000 were 3.4 million tons compared with 2.4 million tons in 1999. First-half sales were 4.1 million tons versus 2.7 million tons in 1999. The favorable earnings impact of higher sales volume was more than offset by lower unit margins due to a decrease in price realization and higher mine operating costs. The average price realization declined in 2000 principally as a result of the mix of sales under various contracts. Operating costs were higher in 2000 primarily due to

higher natural gas and diesel fuel costs, a temporary outage of the Empire Mine primary crushers in March, and a train derailment on the railroad which serves the Wabush Mine in February.

Iron ore pellet production at Cliffs-managed mines increased to 10.8 million tons in the second quarter of 2000 from 10.5 million tons in the second quarter of 1999. First-half production was 20.6 million tons, up from 20.1 million tons in 1999. Following is a summary of production for the first half of 2000 and 1999:

(Tons in Millions)

	First Half 2000		First Half 1999	
	Total	Cliffs' Share	Total	Cliffs' Share
Empire	3.8	.8	4.0	.9
Hibbing	4.0	.6	3.8	.6
LTV Steel Mining	3.8	-	3.5	-
Northshore	2.2	2.2	2.2	2.2
Tilden	3.8	1.5	3.8	1.5
Wabush	3.0	.7	2.8	.6
Total	20.6	5.8	20.1	5.8

While production plans are subject to change as the year progresses, the six mines are currently scheduled to produce in excess of 42 million tons in 2000, an all time record. Cliffs' share of scheduled production for the year is 11.8 million tons, up from 8.8 million tons in 1999.

The higher equity losses from CAL in 2000 reflect ongoing difficulties in starting the hot briquetted iron (HBI) plant in Trinidad and that the CAL facility was in construction through the first quarter of 1999. Equity losses from CAL in 2000 of $3.9 million and $7.1 million in the second quarter and first half, respectively, were $1.6 million and $3.7 million higher than in 1999. As noted in the Company's July 11, 2000, news release, Cliffs is continuing to assess its options with regard to CAL, including a thorough evaluation of all alternatives.

SPECIAL ITEMS IN 2000

Cliffs lost more than one million tons of iron ore pellet sales to Rouge Industries in 1999 as a result of the extended shutdown of two blast furnaces following a tragic explosion at the power plant that supplies Rouge. As a result, Cliffs has a business interruption insurance claim for $18.3 million. The Company has recorded a pre-tax recovery on the claim of $15.0 million ($9.8 million after-tax) in the second quarter based on negotiations with the insurance adjuster. The Company will continue to pursue the balance of the claim, but given the complexity of the insurance issues, any additional amounts will not be recorded until outstanding issues are satisfactorily resolved.

Cliffs owns 842,000 common shares of LTV Corporation (LTV), which the Company received as a creditor in the 1993 reorganization of LTV. The shares were originally valued at $11.5 million, or $13.65 per share, when acquired. At June 30, 2000, the market value of the shares was $2.4 million, or $2.88 per share. Cliffs recorded a $9.1 million pre-tax charge ($6.4 million after-tax) to earnings in the second quarter to recognize the reduction in value. Previously, changes in the market value of the shares were charged directly to shareholders' equity.

OUTLOOK

Brinzo said, "Although there are signs of weakness in the North American steel business, operating levels remain high. Cliffs' iron ore pellet sales are expected to be 11.5 million tons for the full year 2000, which is nearly all of the Company's capacity. While we are optimistic on sales volume, sales margins continue to be adversely impacted by higher energy costs. We are focused on taking necessary actions to reduce costs and resolve CAL operations. We remain committed to enhancing shareholder value, as evidenced by the Board's recent action to increase the share repurchase authorization."

* * * * *

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

This news release contains predictive statements regarding production and sales volumes and cost levels for the full year 2000. These statements are intended to be made as "forward-looking" within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties. Reference is made to the detailed explanation of the many factors and risks that may cause

such predictive statements to turn out differently, as set forth in the Company's 1999 Annual Report and reports on Form 10-K and 10-Q filed with the Securities and Exchange Commission, available publicly on Cliffs' web site.

Contacts
- --------

Media: David L. Gardner, (216) 694-5407
Financial Community: Fred B. Rice, (800) 214-0739 or (216) 694-5459
To obtain faxed copies of Cleveland-Cliffs Inc news releases dial (800)778-3888

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED INCOME

<TABLE>
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(In Millions Except Per Share Amounts)	Three Months Ended June 30, 2000	1999	Six Months Ended June 30, 2000	1999
<S>	<C>	<C>	<C>	<C>
REVENUES				
Product sales and services	$116.6	$82.9	$140.4	$ 96.5
Royalties and management fees	15.4	13.5	24.6	22.7
Total Operating Revenues	132.0	96.4	165.0	119.2
Insurance recovery	15.0		15.0	
Interest income	.9	.5	2.2	1.9
Other income	1.1	.9	2.1	1.6
TOTAL REVENUES	149.0	97.8	184.3	122.7
COST AND EXPENSES				
Cost of goods sold and operating expenses	112.4	77.7	142.2	90.6
Administrative, selling and general expenses	4.9	4.2	8.3	7.9
Unrealized loss on long-term investment	9.1		9.1	
Equity loss in Cliffs and Associates Limited	3.9	2.3	7.1	3.4
Interest expense	1.3	1.2	2.5	1.2
Other expenses	1.4	1.8	3.8	5.3
TOTAL COSTS AND EXPENSES	133.0	87.2	173.0	108.4
INCOME BEFORE INCOME TAXES	16.0	10.6	11.3	14.3
INCOME TAXES	(5.0)	(2.8)	(3.8)	(3.8)
NET INCOME	$ 11.0	$ 7.8	$ 7.5	$ 10.5
NET INCOME PER COMMON SHARE				
Basic	$ 1.04	$ .70	$ .71	$ .94
Diluted	$ 1.04	$ .70	$ .71	$ .94
AVERAGE NUMBER OF SHARES				
Basic	10.5	11.2	10.6	11.2
Diluted	10.6	11.2	10.6	11.2

</TABLE>

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED CASH FLOWS

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	Three Months Ended June 30,	Six Months Ended June 30,

(In Millions, Brackets Indicate Decrease in Cash)	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES				
Net income	$ 11.0	$ 7.8	$ 7.5	$ 10.5
Depreciation and amortization:				
Consolidated	3.2	2.3	6.3	4.4
Share of associated companies	3.0	3.2	6.2	6.5
Equity loss in Cliffs and Associates Limited	3.9	2.3	7.1	3.4
Unrealized loss on long-term investment	9.1		9.1	
Provision for deferred income taxes	(3.2)		(3.2)	
Other	2.7	1.9	1.8	(1.6)
Total before changes in operating assets and liabilities	29.7	17.5	34.8	23.2
Changes in operating assets and liabilities	(24.9)	(47.9)	(52.8)	(104.0)
Net cash from (used by) operating activities	4.8	(30.4)	(18.0)	(80.8)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment:				
Consolidated	(1.9)	(4.8)	(2.7)	(10.3)
Share of associated companies	(1.8)	(1.7)	(2.4)	(2.0)
Investment and advances in Cliffs and Associates Limited	(3.4)		(7.5)	(3.0)
Other		(2.1)		(2.1)
Net cash used by investing activities	(7.1)	(8.6)	(12.6)	(17.4)
FINANCING ACTIVITIES				
Dividends	(4.0)	(4.2)	(8.0)	(8.4)
Repurchases of Common Shares	(5.5)		(5.5)	
Net cash used by financing activities	(9.5)	(4.2)	(13.5)	(8.4)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (11.8)	$ (43.2)	$ (44.1)	$ (106.6)

</TABLE>

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

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	(In Millions)		
	June 30 2000	Dec. 31 1999	June 30 1999
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 23.5	$ 67.6	$ 23.7
Accounts receivable - net	67.1	82.6	54.1
Inventories	106.4	52.6	158.6
Other	31.7	14.3	11.6
TOTAL CURRENT ASSETS	228.7	217.1	248.0
PROPERTIES - NET	150.0	153.9	155.5
INVESTMENTS IN ASSOCIATED COMPANIES	226.6	233.4	231.3
OTHER ASSETS	78.4	75.3	80.5
TOTAL ASSETS	$ 683.7	$ 679.7	$ 715.3
LIABILITIES AND SHAREHOLDERS' EQUITY			

CURRENT LIABILITIES	$ 79.9	$ 73.7	$ 79.6
LONG-TERM DEBT	70.0	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	67.2	68.1	68.2
OTHER LIABILITIES	59.5	60.6	57.8
SHAREHOLDERS' EQUITY	407.1	407.3	439.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 683.7	$ 679.7	$ 715.3

</TABLE>

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UNAUDITED FINANCIAL STATEMENTS

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