Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2002
OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to ___________.
Commission File Number: 1-8944

(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 ☒ NO ☐

As of July 19, 2002, there were 10,184,846 Common Shares (7spell e,w32S0 Serishores of tit nd ng

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and assumptions, including those related to revenue recognition, valuation of inventories, valuation of long-lived assets, post-employment benefits, income taxes, litigation and environmental liabilities. Management bases its estimates on historical experience, current business conditions and expectations and on various other assumptions it believes is reasonable under the circumstances. Actual results could differ from those estimates. [illegible]

References to the "Company" mean Cleveland-Cliffs Inc and consolidated subsidiaries. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries, including the Tilden Mining Company L.C. ("Tilden") since January 31, 2002 when the Company increased its ownership from 40 percent to 85 percent. Quarterly results historically are not representative of annual results due to seasonal [illegible]

Royalty and m

In March 2002, the “Job Creation and Worker Assistance Act of 2002” (“Act”) was enacted by Congress. Provisions of the Act provide for the carryback of net operating losses for tax years 2002 and 2001 for up to five years. Previously, the limitation was two years. As a result, the Company was able to utilize its tax loss generated in 2001 and reduce loss carryforwards by approximately $45 million and related deferred tax assets by about $15 million from December 31, 2001. Partially offsetting was an increase in alternative minimum tax credit carryforwards by approximately $8 million since December 31, 2001. The Company received a cash refund in the second quarter of 2002 of $11.6 million, an increase of $7.7 million compared to the year-end expectation. There was no impact on earnings as a result of this change. In the second quarter 2002, a favorable tax adjustment of $4.4 million was recorded reflecting the Company’s assessment of its tax obligations and expected outcome of certain audit issues for prior tax years.

- Royalties and management fees from partners decreased $10.2 million from last year mainly due to reduced production at Empire Mine in 2002, and the Company's increased ownership in Tilden Mine in 2002. Also, royalties and fees paid by the Company as a partner in the mines, which were previously reported in both revenues and cost of goods sold and operating expenses, have been eliminated. As a result, second quarter and first six months 2001 revenues from royalties and management fees and cost of goods sold have been restated and reduced by $3.2 million and $4.1 million, respectively. This had no impact on financial results.

- The loss from CAL of $5.8 million, or $4.5 million net of minority interest, in the first six months of 2002 compared to a loss of $12.4 million, or $9.8 million net of minority interest, in the first half of 2001. The $5.3 million improvement for 2002 reflects cost reduction efforts including an approximate 30 percent reduction in employees and fixed cost reductions from critical suppliers.

- Administrative, selling and general expenses were $2.8 million higher in the first six months of 2002 compared to the same period in 2001, primarily due to higher pension expense, increased medical and other post-retirement benefits and higher incentive compensation as a result of the increase in the share price of the Company's common stock.

- Other income was $1.3 million higher in 2002 principally due to higher sales of non-strategic assets.

- Other expenses in 2002 were $.8 million lower than 2001. Higher business development expenditures in 2002 primarily related to the Mesabi Nugget project, were more than offset by a $2.1 million pre-tax charge for restructuring activities in 2001.

- Interest income was unchanged from 2001. Lower interest expense in 2002 was due to lower interest rates partially offset by higher average borrowings under the revolving credit facility.

Included in the second quarter and first six months of 2002 was a $4.4 million favorable income tax adjustment. The adjustment reflects the Company's assessment of its tax obligations and expected outcome of certain audit issues relating to prior tax years.

Iron ore pellet production at the Company's managed mines increased to 7.4 million tons in the second quarter of 2002 from 6.5 million tons in 2001. The Company's share of second quarter production of 3.8 million tons was 2.0 million tons above last year. Total production in the first half of 2002 was 12.0 million tons versus 13.4 million tons in first half 2001. The Company's share of production for the first six months was 6.3 millions tons, a 1.7 million tons increase from the first six months of

[illegible]

2001. Production for the full year is expected to be about 27 million tons, with the Company’s share to be about 14.6 million tons.

The Empire Mine, which was idled in the fourth quarter 2001, resumed production in April 2002. Empire was idled for three weeks in July to complete planned maintenance and vacation scheduling. There are no production curtailments currently scheduled for the remainder of the year; however, production schedules at all mines remain subject to change.

The significant increases in the Company’s share of production is mainly due to the Company’s increased ownership and higher production at Tilden in 2002. Partly offsetting was a decrease in pellet production from Empire. In July 2002, the Company acquired an additional 8 percent interest in the Hibbing Mine from Bethlehem Steel Corporation for the assumption of approximately $6 million of net mine liabilities. The acquisition increases the Company’s ownership of Hibbing from 15 percent to 23 percent, and its share of the mine’s annual capacity by .6 million tons.

On January 31, 2002, the Company acquired a 45 percent ownership interest in the Tilden Mine from Algoma Steel Inc. (“Algoma”) for the assumption of Tilden liabilities of approximately $14 million. The acquisition increased the Company’s ownership in the mine to 85 percent, and annual production capacity by 3.5 million tons to 6.6 million tons. Concurrently, a sales agreement was executed that made the Company the sole supplier of iron ore pellets purchased by Algoma for a 15-year period. Sales to Algo[illegible] 3 milli[illegible]02.

[illegible] interest in the Empire Mine. Previously, LTV filed for protection under Chapter 1[illegible]

Pellet sales in the second quarter of 2002 were 3.9 million tons compared to 2.3 million tons in 2001. Pellet sales in the first half of 2002 were 5.2 million tons, a 2.4 million ton increase from the first six months of 2001. While there continues to be uncertainty regarding the pellet requirements of customers, sales volume for 2002 is currently forecasted to be between 14.0 million and 14.5 million tons.

The Company’s share of capital expenditures at the five mining ventures and supporting operations is expected to approximate $19 million in 2002, with $7.6 million having occurred through June 30, 2002.

The United States Environmental Protection Agency (“EPA”) recently has developed and issued rules to regulate air pollution emissions to maximum achievable control technology (“MACT”) standards for many different industry segments and types of facilities. The EPA is considering rules to regulate air pollution emissions from iron ore processing facilities, including facilities in Michigan and Minnesota owned and operated by es oal ing fa axirem

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 auditors, to examine the books of account and other records of the Company and its consolidated subsidiaries for the year 2002 were as follows: 9,300,895 Common Shares were cast for the adoption of the proposal; 57,918 Common Shares were cast against the adoption of the proposal, an 6,968 Common Shares abstained from voting on the adoption of the proposal.

There were no broker non-

Exhibit Number	Exhibit	
10(a)	* Pellet Sale and Purchase Agreement, dated and effective as of April 10, 2002, by and among The Cleveland-Cliffs Iron Company, Cliffs Mining Company, Northshore Mining Company, Northshore Sales Company, International Steel Group Inc., ISG Cleveland Inc., and ISG Indiana Harbor Inc.	Filed Herewith
10(b)	Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan, effective January 1, 2002 (Summary Description)	Filed Herewith
99(a)	Cleveland-Cliffs Inc News Release published on July 24, 2002, with respect to 2002 second quarter results	Filed Herewith

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

Pellet Tonnage Requirements for such year.

(d). With respect to Steel's Annual Pellet Tonnage Requirements as provided for in Sections 4(a) and 4(b) above, Steel shall notify Cliffs by the 15th day of ea prices per iron

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unit for each of the Cleveland Works and the Indiana Harbor Works shall then be adjusted, up or down, in the year 2003 and each year thereafter by an amount as determined in accordance with Section 5(d) below.

(d). In order to determine the adjusted prices to be paid each year for the Cliff amount equal to: (w) the amount [* * * *] (x) multiplied by [* * * *], (y) multiplied by the contract year's average weighted pellet price per ton for the Cliffs Pellets consumed by Steel, (z) multiplied by the total tons of Cliffs Pellets which Steel consumed in the contract year.

(3) For the purpose of estimating the [* * * *], a [* * * *] payment calculation shall be made by [* * * *] following the end of each quarter, using the formula provided for in Sections 5(g)(i)(1) and 5(g)(i)(2) above for each quarter. This calculation (and payment, if any) shall be based on [* * * *] average [* * * *] for actual [* * * *] for the quarter and the pellet tonnage consumed by Steel in that quarter. Within 30 days following each quarter [* * * *] shall notify [* * * *] in writing of the amount (if any) payable by Cliffs to Steel or Steel to Cliffs, and a quarterly payment, if any, shall be made by Cliffs to Steel or Steel to Cliffs, as the case may be, within 45 days after the end of each quarter.

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(4) The final [* * * *] calculation shall be made after the end of the year in accordance with Sections 5(g)(i)(1) and 5(g)(i)(2) above which will reflect [* * * *] actual average annual [* * * *] for actual [* * * *] for the full calendar year, and an adjustment will be made to reflect any difference between the actual year's [* * * *] and the quarterly estimated payments that were made during the year. Payment due, from either party, as a result of the actual annual calculation shall be made by February 15 of the year following the contract year.

(5) Attached as Exhibits 3 and 4 are examples of the calculations applying the provisions of Sections 5(g)(i) and 5(g)(ii).

(ii) In the event that in any year [* * * *] annual total [* * * *] are less than [* * * *] of [* * * *] total annual [* * * *], then Cliffs and Steel agree to substitute another [* * * *] for the [* * * *] which substituted [* * * *] comprises an amount in excess of [* * * *] of [* * * *] total annual [* * * *] in order to determine the [* * * *]. The [* * * *] and [* * * *] which are used for the [* * * *], as provided for in Section 5(g)(i) above, shall be adjusted as follows: (i) the actual average [* * * *] of [* * * *] substituted [* * * *] from the previous year, less (ii) the [* * * *] from the previous year, (iii) with the difference between (i) and (ii) above being added to both the [* * * *] and the [* * * *] to determine the revised [* * * *] for the substituted [* * * *] in order to determine the [* * * *].

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SECTION 6. - PAYMENTS AND ADJUSTMENTS.

(a). For the years 2002 through 2004 and for all tonnage delivered through March 31, 2005, Steel shall pay Cliffs [* * * *], via wire transfer, an amount to be equal to the result of: (i) Steel's planned pellet consumption for the [* * * *] period beginning with the [* * * *], less (ii) the pellets which Steel has in its inventory on [* * * *] for both the Cleveland Works and the Indiana Harbor Works, (iii) with the difference between (i) and (ii) above being multiplied by the appropriate estimated price per ton. The appropriate estimated price per ton shall be calculated by multiplying the contract year's estimated price per iron unit with Steel's estimated iron content of by oonten the years verification due no later than January 31 of the year following a contract year,

and the payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made by February 15 of that year;

(2) The final [* * * *] shall be determined by [* * * *] and verified in detail in writing to [* * * *] by an officer of [* * * *], such verification due no later than January 31 of the year following a contract year, and payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made by February 15 of that year; and

(3) The adjustment to the contract year's price identified pursuant to Section 5(d) shall be made by [* * * *] by March 15 of the following year (using the most recent final estimate of the [* * * *] which shall be verified in writing by an officer of [* * * *]. Cliffs shall issue an invoice or credit memo, as the case may be, to Steel, and payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made by April 15 of that year.

(d). During each of the years 2002 through 2005, Cliffs shall have the right to conduct a minimum of two pellet stockpile surveys each year at each of the Cleveland Works and Indiana Harbor Works to verify (i) the tonnage of [* * * *] which Steel has [* * * *] and (ii) the tonnage of [* * * *] currently [* * * *] in stockpile at the Cleveland Works and the Indiana Harbor Works. In the event that the pellet stockpile survey results vary by more than [* * * *] (above or below) from [* * * *] (after taking into account actual iron units shipped versus actual iron units consumed), then Cliffs shall issue an invoice or credit memo, as the case may be,

to Steel, for the amount of the difference in the stockpile survey results that vary by more than [* * * *] above or below [* * * *], and payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made within 30 days following the pellet stockpile survey. If the pellet stockpile survey results vary by [* * * *] or more (above or below) from [* * * *] (after taking into account actual iron units shipped versus actual iron units consumed), then Cliffs and Steel shall have an independent third party conduct another pellet stockpile survey. The results of the independent third party survey shall be final and Cliffs shall issue an invoice or credit memo, as the case may be, to Steel, and payment from Cliffs to Steel or Steel to Cliffs, as the case may be, shall be made within 30 days following the independent third party's pellet stockpile survey.

(e). At their own expense, Cliffs and/or Steel shall have an annual right to have the information and calculations relating to the contract price, [* * * *], and adjustments verified by an independent third party auditor. In the event Steel 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 Steel under this Agreement are fully satisfied.

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

SECTION 7. - SAMPLING AND ANALYSES.

All pellet sampling procedures and analytical tests conducted on Cliffs Pellets sold to Steel to demonstrate compliance with typical specifications and analysis 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, or any other procedures and practices that may be mutually agreed to by Cliffs and Steel. Steel may, at any time and from time to time through one or more authorized representatives, and with prior notice to Cliffs be present during production,

partnership, corporation or other entity unless the surviving or resulting person, partnership, corporation or other entity assumes in writing all of Steel'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 17(a) shall be limited to the Steel obligations under this Agreement, and this Section 17(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 Steel, any obligation with respect to any pellet requirements it may have for any facility or facilities it owns or operates other than the Cleveland Works and the Indiana Harbor 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 for the Cleveland Works and Indiana Harbor Works.

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

such obligations relate to the Cleveland Works and/or the Indiana Harbor Works being sold or transferred. Any obligations required to be assumed by a [illegible] obligations under this Agreement relating to the particular facility or facilities sold or transferred. This Section 17(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 Cleveland Works and/or the Indiana Harbor 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 [illegible]

[illegible]

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

SECTION 20. - 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.

SECTION 21. - REPRESENTATIONS AND WARRANTIES.

(a). Steel represents and warrants to Cliffs that (i) the execution and delivery of this Agreement by Steel and the performance of its obligations hereunder have been duly authorized by all requisite corporate action, (ii) neither the execution and delivery of this Agreement, nor the performance of its obligations hereunder by Steel shall, or after the lapse of time or giving of notice shall, conflict with, violate or result in a breach of, or constitute a default under the certificate of incorporation or bylaws of Steel or any law, statute, rule or regulation applicable to it, or conflict with, violate or result in a breach of or constitute a default under the material agreement to which it is a party or by which it or any of its properties is bound, or any judgment, order, award or decree to which Steel is a party or by which it is bound, or require any approval, consent, authorization or other action by any court, governmental authority or regulatory body or any creditor of Steel or any other person or entity, and (iii) this Agreement constitutes a valid and binding obligation of Steel and is enforceable against Steel in accordance with its terms.

(b). Cliffs represents and warrants to Steel that: (i) the execution and delivery of this Agreement by Cliffs and the performance of its obligations hereunder have been duly authorized by all requisite corporate actions, (ii) neither the execution and delivery of this Agreement nor the performance of its obligations hereunder by Cliffs shall, or after the lapse of time or giving of notice shall, conflict with, violate or result in a breach of, or constitute a default under the certificate of incorporation or bylaws of Cliffs or any law, statute, rule or regulation applicable to it, or conflict with, violate or result in the breach of or constitute a default under any material agreement to which it is a party or by which it or any of its properties is bound, or any judgment, order, award or decree to which Cliffs is a party or by which it is bound, or require any approval, consent, authorization or other action by any court, governmental authority or regulatory body or any creditor of Cliffs or any other person or entity, and (iii) this Agreement constitutes a valid and binding obligation of Cliffs and is enforceable against Cliffs in accordance with its terms.

SECTION 22. - COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of April 10th, 2002.

THE CLEVELAND-CLIFFS IRON COMPANY	INTERNATIONAL STEEL GROUP INC
/s/ Donald J. Gallagher	/s/ Rodney Mott
Vice President	Vice President

	Frequency	Typical	[* * * *]	[* * * *]	Typical	[* * * *]	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
MOISTURE	V	[* * * *]			[* * * *]		
A. DRY CHEMICAL ANALYSIS							
Total Iron	V	[* * * *]			[* * * *]		
SiO2	V	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]
AI2O3	V	[* * * *]			[* * * *]		
CaO	V	[* * * *]			[* * * *]		
MgO	V	[* * * *]			[* * * *]		
Mn	V	[* * * *]			[* * * *]		
Phos	V	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]
S	SA	[* * * *]			[* * * *]		
TiO2	SA	[* * * *]			[* * * *]		
Na2O	V	[* * * *]			[* * * *]		
K2O	V	[* * * *]			[* * * *]		
B. SIZING, WT. %							
% + 1/2"	V	[* * * *]			[* * * *]		
% - 1/2" x + 3/8"	V	[* * * *]			[* * * *]		
% - 3/8" x + 1/4"	V	[* * * *]			[* * * *]		
% - 1/4"	V	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]
% - 28 mesh							
C. TUMBLE TEST							
% + 1/4" before tumble	V	[* * * *]			[* * * *]		
% + 1/4" after tumble	V	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]
Q Index	V	[* * * *]			[* * * *]		
Tumble Index - 28 mesh	V	[* * * *]			[* * * *]		
D. COMPRESSION TEST (1)							
Minus 1/2" by plus 7/16"							
Minus 1/2" by plus 3/8"	SA	[* * * *]			V [* * * *]		
% -300 lbs.					V [* * * *]		

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HIBBING TACONITE

	Typical	[* * * *]	[Analysis Limits]
<S>	<C>	<C>	<C>
MOISTURE	[* * * *]		
A. DRY CHEMICAL ANALYSIS			
Total Iron	[* * * *]		
SiO2	[* * * *]	[* * * *]	[* * * *]
AI2O3	[* * * *]		
CaO	[* * * *]		
MgO	[* * * *]		
Mn	[* * * *]		
Phos	SA [* * * *]		
S	[* * * *]		
TiO2	[* * * *]		
Na2O	[* * * *]		
K2O	[* * * *]		
B. SIZING, WT. %			
% + 1/2"	[* * * *]		
% - 1/2" x + 3/8"	[* * * *]		
% - 3/8" x + 1/4"	[* * * *]		
% - 1/4"	[* * * *]	[* * * *]	[* * * *]
% - 28 mesh			
C. TUMBLE TEST			
% + 1/4" before tumble	[* * * *]		
% + 1/4" after tumble [* * * *] [* * * *] [* * * *] Q Index [* * * *] Tumble Index - 28 mesh [* * * *]			
D. COMPRESSION TEST (1)			
Minus 1/2" by plus 7/16"	V [* * * *]		
Minus 1/2" by plus 3/8"			
% -300 lbs.	V [* * * *]		

</TABLE>

TYPICAL ANALYSIS - 2002 EXPECTED AVERAGE CARGO ANALYSIS
[* * * *] - [* * * *]
[* * * *] - [* * * *]
LETTER "V" DENOTES - ANALYSIS TO BE PROVIDED ON EACH VESSEL SHIPMENT OF PELLETS
LETTER "SA" DENOTES - ANALYSIS TO BE DONE ON A COMPOSITE SAMPLE OF SEMI-ANNUAL VESSEL SHIPMENTS

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

EXHIBIT 2

PRICE ADJUSTMENT FORMULA

EMPIRE, HIBBING, AND NORTHSHORE PELLETS

FOR YEARS 2003 THROUGH 2016

CURRENT YEAR'S PRICE ADJUSTMENT CALCULATION

1. SECTION 5(d)

[* * * *]			X	[* * * *] = A
		[* * * *]		
A	X	Preceding Year's Adjusted Price Per Iron Unit	=	Current Year's Price Adjustment Per Iron Unit

CURRENT YEAR'S ADJUSTED PRICE PER IRON UNIT

Current Year's Price Adjustment Per Iron Unit	+	Preceding Year's Adjusted Price Per Iron Unit	=	Current Year's Adjusted Price Per Iron Unit

CURRENT YEAR'S ESTIMATED PELLET PRICE PER TON

Current Year's Adjusted Price Per Iron Unit	X	Current Year's Expected Natural Iron Content	=	Current Year's Estimated Pellet Price Per Ton

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ASTERISKS DENOTE SUCH OMISSIONS.

EXHIBIT 3

[* * * *] FORMULA

EMPIRE, HIBBING, AND NORTHSHORE PELLETS

FOR YEARS 2003 THROUGH 2016

	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3	EXAMPLE 4	EXAMPLE 5	EXAMPLE 6
[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]	[* * * *]

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EXHIBIT 4

SUBSTITUTE [* * * *] EXAMPLE
[* * * *]
FOR YEARS 2002 THROUGH 2016

Contract [* * * *]

Contract [* * * *]

In The Event That [* * * *] Annual Total [* * * *] Are Less Than [* * * *], Then Steel And Cliffs Agree To Substitute Another [* * * *]

first half, and the current forecast for the full year, comparative with 2001:

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Interest expense	2.0	2.5	3.9	4.6
Other expenses	1.8	1.4	3.1	3.9
	--------	--------	--------	--------
TOTAL COSTS AND EXPENSES	165.6	120.4	246.5	168.7
	--------	--------	--------	--------
LOSS BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(6.2)	(23.6)	(26.4)	(39.6)
INCOME TAXES (CREDIT)	(6.2)	(7.1)	(12.9)	(12.3)
	--------	--------	--------	--------
LOSS BEFORE MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE		(16.5)	(13.5)	(27.3)
MINORITY INTEREST	.6	1.4	1.3	2.6
	--------	--------	--------	--------
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	.6	(15.1)	(12.2)	(24.7)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE - NET OF $5.0 TAX				9.3
	--------	--------	--------	--------
NET INCOME (LOSS)	$ .6	$ (15.1)	$ (12.2)	$ (15.4)
	========	========	========	========
NET INCOME (LOSS) PER COMMON SHARE				
Basic and Diluted				
Before cumulative effect of accounting change	$ .06	$ (1.50)	$ (1.20)	$ (2.45)
Cumulative effect of accounting change - net of tax				.92
	--------	--------	--------	--------
Net income (loss)	$ .06	$ (1.50)	$ (1.20)	$ (1.53)
	========	========	========	========
AVERAGE NUMBER OF SHARES				
Basic	10.2	10.1	10.1	10.1
Diluted	10.2	10.1	10.1	10.1

</TABLE>

CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED CASH FLOWS

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
(In Millions, Brackets Indicate Decrease in Cash)	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES				
Net income (loss)	$ .6	$ (15.1)	$ (12.2)	$ (15.4)
Depreciation and amortization:				
Consolidated	6.8	4.0	12.4	7.8
Share of associated iron ore ventures	1.9	2.4	4.0	5.5

TOTAL ASSETS	$ 883.9	$ 825.0	$ 781.2
	=======	=======	=======
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Borrowings under revolving credit facility	$ 100.0	$ 100.0	$ 100.0
Accounts payable and accrued expenses	108.4	73.8	77.8
Payables to associated companies	16.4	16.0	6.6
	-------	-------	-------
TOTAL CURRENT LIABILITIES	224.8	189.8	184.4
LONG-TERM DEBT	70.0	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	94.0	69.2	65.2
ENVIRONMENTAL AND CLOSURE OBLIGATIONS	57.5	59.2	17.1
OTHER LIABILITIES	21.4	36.7	41.1
	-------	-------	-------
	467.7	424.9	377.8
MINORITY INTEREST			
Cliffs and Associates Limited	25.2	25.9	27.8
Tilden Mining Company L.C.	26.7		
SHAREHOLDERS' EQUITY	364.3	374.2	375.6
	-------	-------	-------
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 883.9	$ 825.0	$ 781.2
	=======	=======	=======

</TABLE>

NOTES TO UNAUDITED FINANCIAL STATEMENTS

1. On January 31, 2002, Cliffs acquired Algoma Steel's 45 percent interest in the Tilden Mine, which increased Cliffs' ownership of Tilden from 40 percent to 85 percent. As a result of this transaction, Tilden became a consolidated subsidiary of Cliffs. Stelco, Inc. remains the owner of the other 15 percent of Tilden. In comparing the consolidated statement of financial position at June 30, 2002 and December 31, 2001, there are significant changes that are mainly due to the full consolidation of Tilden versus accounting for Tilden by the equity method. Consolidation of Tilden also increases sales revenues and cost of goods sold to account for Tilden cost reimbursements from the minority owner.

2. Royalties and fees paid by Cliffs as a partner in the mines, which were previously reported in both revenues and cost of goods sold and operating expenses, have been eliminated. There was no impact on financial results.

3. In management's opinion, the unaudited financial statements present
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