UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 2)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 31, 2005

CLEVELAND-CLIFFS INC

(Exact Name of Registrant as Specified in Its Charter)

OHIO	1-8944	34-1464672
(State or Other Jurisdiction		

Item 2.01 Completion of Acquisition or Disposition of Assets

On April 6, 2005, Cleveland-Cliffs Inc ("Cliffs" or the "Company") filed a Current Report on Form 8-K to report that on March 31, 2005 Cleveland-Cliffs Australia Pty Limited ("Cliffs Australia"), a wholly-owned subsidiary of the Company, acquired approximately 68 percent of the outstanding shares in Portman Limited ("Portman"), a Western Australia based iron ore mining and exploration company for $371.7 million. Through the close of the Offer on April 19, 2005, Cliffs Australia acquired an additional 12 percent for $62.1 million, increasing its ownership to approximately 80 percent of the outstanding shares of Portman. The consideration for each Portman Share was A$3.85 in cash. The assets consist primarily of land, mineral rights and iron ore reserves.

On June 14, 2005, the Company filed an amended Current Report on Form 8-K/A to provide additional financial information and amend Item 9.01 of the Current Report on Form 8-K filed by the Company on April 6, 2005. The consolidated financial statements of Portman as of and for the year ended December 31, 2004 included in the Current Report on Form 8-K/A filed on June 14, 2005 were not audited in accordance with generally accepted auditing standards in the United States of America. This amendment No. 2 to Form 8-K on Form 8-K/A furnishes the audited financial statements of Portman as of and for the year ended December 31, 2004 and amends Item 9.01 of the Current Report on Form 8-K/A filed June 14, 2005.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of the Business Acquired

The following consolidated financial statements of Portman are included as Exhibit 99.2 in this Form 8-K/A.

Statement of Financial Performance for the Year Ended 31 December 2004
Statement of Financial Position at 31 December 2004
Statement of Cash Flows for the Year Ended 31 December 2004
Notes to and Forming Part of the Financial Statements

(b) Pro Forma Financial Information

The following unaudited condensed consolidated pro forma financial information of Cliffs, giving effect to the acquisition of Portman, prepared pursuant to Article 11 of Regulation S-X, are included as Exhibit 99.3 in this Form 8-K/A.

Unaudited Pro Forma Condensed Consolidated Statement of Financial Position as of March 31, 2005
Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Three Months Ended March 31, 2005
Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2004
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

(c) Exhibits

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLEVELAND-CLIFFS INC

Date: July 25, 2005	By:	/s/ Donald J. Gallagher

INDEX TO

Exhibit 99.2

Portman Limited
Consolidated Financial Statements
As of and for the Year Ended
31 December 2004
(Australian Currency)

PORTMAN LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004
(Australian Currency)

	Notes	2004 $'0044

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(All amounts are reflected in Australian currency unless otherwise noted)

NOTE 1:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Costs incur

taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Interests in Joint Venture Operations

The Company's share of the assets, liabilities, revenue and expenses of Joint Venture Operations are proportionately consolidated in the appropriate items of the Company's Statement of Financial Position and Performance. Details of the Company's interests are shown in Note 26.

(g) Inventories

Inventories are physically measured and are valued at the lower of cost and net realisable value. In determining cost, a weighted average basis is used which includes direct mining and associated costs, labour and transportation costs and an appropriate portion of fixed and variable overhead expenditure.

(h) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of each transaction. Amounts receivable and payable in foreign currencies at year end are converted at the rates of exchange ruling at year end.

Specific Hedges

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Where sales are specifically hedged, exchange gains or losses on the hedging transaction arising up to the date of sale and costs, premiums and discounts relative to the hedging transaction are deferred and included in measurement of the sale. Unrealised exchange gains and losses at each balance date are deferred and recognised in the Statement of Financial Position.

General Hedges

Where hedging is put in place that does not cover specific future transactions the unrealised exchange gains or losses on the hedging transaction that exist at year end are included in the Statement of Financial Performance.

(i) Employee Entitlements

Where material, provision is made in the financial statements for benefits accruing to employees in relation to the following matters:

i) Wages

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(o) Non Current Assets

Non current assets are stated at amounts not exceeding their recoverable amount.

Recoverable Amount of Non Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non current asset is greater than its recoverable amount the asset is written-down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, the recoverable amount is determined on the basis of the relevant group of assets.

The expected net cash flows included in determining recoverable amounts of non current assets are discounted to their present values using market determined, risk adjusted discount rates.

Potential capital gains tax is not taken into account in determining revaluation amounts unless there is an intention to sell the assets concerned.

(p) Fi[illegible]

Insurance claims receivable are brought to account when liability for a claim is acknowledged by the under-writer, at which time amounts receivable from the customer are written off.

Provision for doubtful debts is recognised to the extent that recovery of the outstanding receivable balance is considered less than likely. Any provision established is based on a review of all outstanding amounts at balance date. A specific provision is maintained for identified doubtful debts, and a general provision is maintained in respect of receivables which are doubtful of recovery but which have not been specifically identified.

Foreign currency options and forward exchange contracts are entered into as specific hedges of current receivables and future transactions and are recognised as either an asset or liability in the Statement of Financial Position. The premium or discount and gain or loss is deferred and included in the initial measurement of the anticipated item being hedged. Where it becomes probable that some or all of the hedged transactions will not occur as designated the deferred gains and losses relating to those transactions that are no longer expected to occur as designated are recognised immediately in the Statement of Financial Performance.

Bank deposits, bills of exchange, promissory notes, loans, marketable securities and marketable equity securities are carried at the lower of cost or recoverable amount. Interest revenue is recognised over the period the financial assets are outstanding.

Dividend revenue is recognised when the dividends are received.

Purchases and sales of investments are recognised on the trade date.

(s) Employee Share Option Ownership Schemes

Certain employees are entitled to participate in share option ownership schemes. Details of these schemes are included in Note 29. There are no amounts required to be included in the financial accounts in relation to these schemes.

(t) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(u) Revenue Recognition

Sales revenue and revenue from the sale of assets is recognised when the property in the product or asset has passed to the buyer. Foreign currency revenues are converted to Australa

NOTE 2:
PROFIT AND LOSS ITEMS

	2004 $'000
(a) Profit from ordinary items after crediting the following revenues:	
Sales Revenue	
Product Sales	195,435
Other Revenue	
Interest received from other corporations	1,704
Management fees	136
Proceeds on sale of investments	1,154
Proceeds from sale of plant and equipment	15
Agency Fee	456
Other income	23
Total Other Revenue	3,488
Total Revenue from Ordinary Ac Pl Re	

	2004 $'000

NOTE 3:
INCOME TAX

The difference between income tax expense provided in the financial statements and the prima facie income tax expense is reconciled as follows:

Profit from ordinary activities before income tax expense	45,956
Prima facie tax thereon at 30%	13,787
T ore	

	2004
	$'000

NOTE 4
DIVIDENDS PAID OR Ď XI Mڛ lʼ

	Notes	2004 $'000

NOTE 6
RECEIVABLES (CURRENT)

Trade debtorR	ί	

NOTE 11:
OTHER FINANCIAL ASSETS (NON CURRENT)

(a) Controlled Entities of PorMesties FiINes of Po s En ERERERERHHH

	2004
	$'

	2004 $'000
NOTE 21:	
PROVISIONS (NON CURRENT)	
Rehabilitation provision	2,344
Employee entitlements (refer Note 29)	176
	2,520

NOTE 22:
OTHER LIABILITIES (NON CURRENT)

Deferred foreign exchange gain on hedge contracts	7,523
Hedge contract payable	169
	7,692

NOTE 23:
CONTRIBUTED EQUITY

		2004 Number of Shares	2004 $'000
(a) Contributed Equity			
Balance at beginning of the year		174,425,712	106,028
Options exercised		4,962,498	5,356
Share buy-back	(i)	(3,775,137)	(5,703)
Balance at end of the year		175,613,073	105,681

(i) Portman Limited undertook an on-market share buy-back as part of a capital management initiative designed to optimise the Company's capital structure and enhance returns to equity holders. As a result 3,775,137 fully paid ordinary shares were bought back by Portman Limited at a weighted average price of $1.51. The total cost of the buy-back was $5,702,929, which was all debited to the contributed equity account.

(b) Share [illegible]

NOTE 26:
INTERESTS IN JOINT VENTURE OPERATIONS

(a) The Company has an interest in joint venture operations as follows:

Joint Venture Operations	**Principal activities**	**Interest held in share of output 2004 %**
Cockatoo Island Joint Venture Operation	Iron ore mining	50%

(b) Cockatoo Island Joint Venture operation net assets

The Company's share of the assets and liabilities of the joint venture operation which have been included in the financial statements is:

	2004 $'000
CURRENT ASSETS	
Receivables	136
Inventories	1,419
	1,555
NON CURRENT ASSETS	
Property, plant and equipment	10,671
TOTAL ASSETS	12,226
CURRENT LIABILITIES	
Payables	144
NON CURRENT LIABILITIES	
Provisions	528
Deferred foreign exchange gain	119
	647
TOTAL LIABILITIES	791
NET ASSETS EMPLOYED	11,435

For details of capital expenditure commitments and contingent liabilities relating to the joint venture operation refer to Notes 30 and 32 respectively.

	2004 $'000

NOTE 27:
REMUNERATION OF AUDITORS

Amounts paid or due and payable to the auditors for:

Auditing the accounts and consolidated accounts of Portman Limited and the accounts for each of its controlled entities

	2004 $'000
Our auditors	79
	79
Other services provided by our auditors:	
Taxation Advisory	
- Compliance	75
- Research and Development	90
- Other	18
Accounting Advisory	
- International Financial Reporting Standards	15
Corporate Finance Advisory	
- Audit of Corporate Financial Model	33
	231
	310
Amounts paid or due and payable to accounting firms other than our auditors:	
Accounting Advisory	
- International Financial Reporting Standards	11
Other Services	
- Risk Management Review	39
	50
	360

The auditors received no other benefits.

The Company is satisfied that the other services provided by our auditors have not impaired their independence with regard to the audit services provided.

NOTE 28:
REMUNERATION OF DIRECTORS AND EXECUTIVES

(a) Details of Specified Directors and Specified Executives

(i) Specified directors

GF Jones	Chairman (non-executive)
BJ Eldridge	Managing Director
R Knight	Director (non-executive)
MD Perrott	Director (non-executive)
FE Harris	Director (non-executive)
MH Macpherson	Director (non-executive)

(ii) Specified executives

GT Clifford	Company Secretary/General Manager Administration
RR Mehan	Chief Operating Officer
AJ Schoer	Chief Financial Officer
P Nolan	Manager Operations – Koolyanobbing
S Fujikawa	General Manager — Marketing
J Shellabear *	General Manager Business Development
P Bilbe *	Manager Development

* ceased employment during the year

(b) Remuneration of Specified Directors and Specified Executives

(i) Remuneration Policy

Remuneration of directors and senior executives of the Company is established by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee's role is to review and make recommendations to the Board on remuneration packages and policies. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. The Nomination and Remuneration Committee meets as required.

The key performance indices upon which the cash bonuses are paid are a§ sh bonu

(d) Shares issued on exercise of remuneration options

	Shares issued Number	Paid $ per share	Unpaid $ per share
Specified Directors			
GF Jones	750,000	0.984	—
GF Jones	1,000,000	1.227	—
BJ Eldridge	500,000	1.031	—
MD Perrott	500,000	0.984	—

NOTE 29:
EMPLOYEE ENTITLEMENTS

	2004 $'000
Provision for employee entitlements – current	608
Provision for employee entitlements – non current	176
[refer Notes1(i), 18 and 21]	784
The number of employees as at year end	78

Portman Limited Employee Option Plans

Portman Limited previously had two employee option plans in existence. The Employee Option Plan (EOP) and the Employee Share Option Plan (ESOP). All options issued under the Portman Limited Employee Option Plan (EOP) have been exercised, have expired or have been cancelled. The Portman Limited Employee Share Option Plan (ESOP) is the only plan now operating.

In addition, Portman has issued options called Directors Options that are not under, but are subject to the rules of, the ESOP and Non ESOP Options that are separate entirely from the ESOP.

Portman Limited Employee Share Option Plan (Unquoted Securities)

The Portman Limited Employee Share Option Plan (ESOP) was adopted by the shareholders of the Company a

NOTE 29:
EMPLOYEE ENTITLEMENTS (CONTINUED)

Information with respect to options granted under the employee share option plan, non employee share option plan and director option plan is summarized below:

		2004	
		Number of options	**Weighted average exercise price**
Balance at beginning of year	29(a)	10,124,931	1.31
- granted	29(b)	—	—
- forfeited		—	—
- cancelled		(167	

NOTE 29:
EMPLOYEE ENTITLEMENTS (CONTINUED)

(d) Options held as at the end of the reporting date

The following table summarises information about options held by eligible option holders as at 31 December 2004:

Plan Type	Number of Options	Grant date	Vesting Date	Expiry date	Weighted average exercise price
ESOP	67,000	01-Mar-01	01-Mar-02	01-Mar-06	1.013
ESOP	141,667	02-Apr-01	02-Apr-02	02-Apr-06	1.153
ESOP	845,000	19-Apr-02	19-Apr-03	19-Apr-07	2.427
ESOP	250,000	11-Feb-02	11-Feb-03	11-Feb-07	1.765
ESOP	421,000	25-Jun-03	25-Jun-04	25-Jun-08	1.160
Non ESOP	20,766	29-Jan-01	29-Jan-02	29-Jan-06	1.290
Non ESOP	750,000	01-Oct-02	01-Oct-03	01-Oct-07	1.919
Non ESOP	1,000,000	29-Aug-03	29-Aug-04	29-Aug-08	1.031
Directors Options	500,000	24-May-01	24-May-02	24-May-06	1.227
Directors Options	1,000,000	19-Apr-02	19-Apr-03	19-Apr-07	2.427
	4,995,433				

NOTE 31:
SEGMENT INFORMATION

Segment products and locations

The consolidated entity's operating companies are organised and managed separately according to the nature of the products and services they provide, with each segment offering different products and serving different markets.

The Iron Ore segment produces and sells iron ore products to the world steel making industry. The Silicon segment was sold during 2003. The Corporate & Net Interest segment includes revenues and expenses associated with the investment portfolio that is managed by the Company and other revenues and expenses associated with general head office activities.

Geographically, the group operates only in Australia.

Segment accounting policies

The group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues. Segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

NOTE 31:
SEGMENT INFORMATION (CONTINUED):

	2004			
	Iron Ore	Silicon	Corporate & Net Interest	Consolidated
	$'000	$'000	$'000	$'000
Assets				

NOTE 32:
CONTINGENT LIABILITIES

Contingent liabilities not otherwise provided for in these financial statements are:

1. Portman has guaranteed the lease liabilities of a controlled entity under an operating lease for premises to a maximum of $504,620. Portman believes the likelihood of a claim being made is remote and hence has not provided for it in its accounts.

2. Portman has guaranteed the performance of a controlled entity under a hire purchase arrangement with Commonwealth Bank Finance Corporation. Portman believes the likelihood of a claim being made is remote and hence has not provided for it in its accounts.

3. Portman has guaranteed the performance of a controlled entity under a long term contract with the Esperance Port Authority for the provision of port services related to the exporting of iron ore. Portman believes the likelihood of a claim being made is remote and hence has not provided for it in its accounts.

4. Portman has contingent liabilities in respect of termination benefits which may arise pursuant to service agreements entered into with executives and employees who take part in the management of the Company. The maximum amount of the contingent liability is dependent upon the circumstances in which the employment is terminated. Subsequent to year end three employees were made redundant. Under the service agreements a total of $1.472M was paid out.

5. Portman has guaranteed the performance of a controlled entity's obligations under a Farm in Agreement in respect of a petroleum lease. Portman believes the likelihood of a claim being made is remote and hence has not provided for it in its accounts.

6. Controlled entities within the Company have guaranteed the performance of a third party's obligations to BHP Minerals Limited in respect of mining leases on which the Cockatoo Is [illegible]

NOTE 32:
CONTINGENT LIABILITIES

9. Native Title cla xEg c

NOTE 34:
FINANCIAL INSTRUMENTS

(a) Objectives for Holding Derivative Financial Instruments

The Economic Entity uses derivative financial instruments to manage specifically identified foreign currency exposures. The Economic Entity is primarily exposed to the risk of adverse movements in the Australian dollar compared to the United States dollar. The primary objective of using derivative financial instruments is to reduce the volatility of earnings attributable to changes in AUD/USD, and to protect against undue adverse movements in these rates. The purposes for which specific derivative instruments are used are as follows:

Foreign currency options (uncommitted) and forward exchange contracts (committed) are purchased to hedge the Australian dollar value of US dollar receipt [illegible]

NOTE 34:
FINANCIAL INSTRUMENTS (CONTINUED)

The Company is exposed to currency exchange rate risk through primary financial assets and forecast transactions reduced through derivative financial instruments such as forward exchange contracts, currency options, collars and convertible collars. The following table summarises by currency, in Australian dollars, the foreign exchange risk in respect of recognised financial assets and derivatives entered to hedge forecast transactions. Those financial assets and liabilities in which all amounts are denominated in Australian dollars are not included in these tables.

	Australian dollars 2004 A$'000	United States dollars 2004 A$'000	Total 2004 A$'000
Financial assets			
Trade debtors	—	11,415	11,415
Anticipated future transactions	[illegible]	[illegible]	
Forward exchange contracts	ctre d. [illegible]	[illegible]	

NOTE 34:
FINANCIAL INSTRUMENTS (CONTINUED)

(e) Net Fair ENr ENNN

NOTE 34:
FINANCIAL INSTRUMENTS (CONTINUED)

(f) Hedges Ĉedg Ď Ď

NOTE 35:
NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation Of Net Profit After Income Tax To The Net Cash Flows From Operating Activities

	2004 $'000
Net profit after income tax	32,753
Amortisation & depreciation	9,468
Loss/(Profit) on sale of plant & equipment	2
Loss/(Profit) on sale of listed investment	93
Provision for rehabilitation	881
Write down of inventory to net realisable value	4,794
Movements in operating assets and liabilities	
(Increase)/decrease in inventories	(14,393)
(Increase)/decrease in trade debtors	(7,279)
(Increase)/decrease in other debtors and prepayments	(5,048)
(Increase)/decrease in other current assets	(543)
(Increase)/decrease in deferred tax assets	730
(Increase)/decrease in non current receivables	105
(Increase)/decrease in other non current assets	(2,888)
Increase/(decrease) in deferred foreign exchange	(1,836)
Increase/(decrease) in provision for tax payments	1,360
Increase/(decrease) in deferred tax liabilities	4,129
Increase/(decrease) in other provisions	(119)
Increase/(decrease) in trade payables	4,242
Net Cash Flows From Operating Activities	26,451

NOTE 36:

RELATED PARTY INFORMATION

Directors

The names of persons who were directors of Portman Limited during the year:

George F Jones
Barry J Eldridge
Fiona E Harris
Richard Knight
Malcolm H Macpherson
Michael D Perrott

Details Of Share And Option Dealings With Directors And Their Director Related Entities

Details of share and option dealings with Directors and their Director related entities is disclosed in Note 28.

The Wholly Owned Group

The wholly owned group consists of Portman Limited and its controlled entities as set out in Note 11.

Transactions between Portman Limited and related parties in the wholly owned group during the year ended 31 December 2004 consisted of:

(a) Loan advances by Portman Limited;
(b) Loans repaid to Portman Limited;
(c) The payment of management fees by controlled entities;
(d) Transfer of tax related balances;
(e) Dividends from controlled entities; and
(f) Guarantees by Portman Limited on behalf of controlled entities.

The above transactions were made on normal commercial terms and conditions, except that there are no fixed terms for the repayment of loans advanced by Portman Limited.

(i) Reconciliation of Net Profit

	Year ended 31 December 2004 A$ 000	Ref
Net Profit for the financial year as stated under Australian GAAP	32,753	
Adjustments to conform to U.S. GAAP before tax		
Rehabilitation	(929)	a
Hedging	(6,008)	b
Exploration & Evaluation	(2,480)	c
Inventory	4,220	d
Share option expense	(580)	e
Business combination - Angang	175	f
Finance Lease	(617)	g
Depreciation/Amortisation	(958)	h
Subtotal adjustments	(7,177)	

Under U.S. GAAP Portman is required to expense evaluation costs as incurred up until all final regulatory approvals have been granted. Evaluation costs incurred subsequent to this date are capitalised and amortised over the life of the area of interest.

As a result of applying U.S. GAAP the carrying amount of exploration costs and applicable evaluation costs have been written-off.

(d) Inventory

Under Australian GAAP a write back of previously written down inventory is permitted provided the inventory passes the lower of cost and net realisable value test.

Under U.S. GAAP inventory which has been written down cannot be subsequently written back.

As a result of applying U.S. GAAP inventory which had been previously written back under Australian GAAP has been excluded for the purposes of calculating inventory values under U.S. GAAP.

(e) Share option expense

Portman has employee share option plans in place. Under U.S. GAAP share option plans are expensed using a fair value model. There is no equivalent standard under Australian GAAP and hence no expense has been recognised in the Statement of Financial Performance for Australian GAAP.

(f) Business Combination - Angang

Under Australian GAAP the excess of the consideration over the fair value of the assets acquired was allocated in part to certain exploration assets already owned by the Company. Under U.S. GAAP the excess of the consideration over the fair value of the assets acquired was allocated to goodwill. In accordance with U.S. GAAP the asset values are recorded gross of tax expense regardless of the manner in which the acquisition was structured for tax purposes. In addition under U.S. GAAP a deferred tax liability is recognised for the difference [illegible] GAAP [illegible] rates. [illegible] tax

Portman has a long term contract with the Esperance Port Authority for the provision of services by the Port for the management of stockpiles and loading of vessels. In addition, the port built certain infrastructure facilities for the specific use of Portman and charges Portman for this capital cost plus an applicable interest charge over the life of the contract.

Under U.S. GAAP the infrastructure facilities built by the Esperance Port Authority for Portman are considered to be a finance lease and hence has been accounted for accordingly. Australian GAAP contains no specific guidance on the treatment of service contracts such as the Esperance Port Authority and thus a finance lease was not recognised for the port assets. Instead the payments were expensed as incurred. The Australian GAAP accounts include note disclosure (Note 30) of the commitments under the Port Contract, which include commitments for the payment of the specific port assets.

(h) Depreciation & Amortisation

Under U.S. GAAP when a change in ore reserves is determined the depreciation and amortisation of assets on a production output basis is changed from that point forward. Under Australian GAAP the depreciation and amortisation can be changed from the beginning of the reporting period.

During the year Portman determined an increase in its ore reserves. As a result of applying U.S. GAAP the amount of depreciation and amortisation of assets on a production output basis has increased.

Adjustments to Consolidated Cash Flow (iii)

The principal differences between the Statement of Cash Flows prepared under Australian GAAP and the objectives and principles set out in Statement of Financial Accounting Standards (“SFAS”) No. 95 “Statement of Cash Flows”, relate to the treatment of exploration costs. Exploration costs, capitalized and presented as a cash flow from investing activities in Portman’s Statement of Cash Flows, have been reclassified as a cash flow from operating activities in accordance with U.S. GAAP**.**

Exhibit 99.3

Cleveland-Cliffs Inc
Unaudited Pro Forma Condensed Consolidated
Financial Information

CLEVELAND-CLIFFS INC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On April 6, 2005, Cleveland-Cliffs Inc (“Cliffs” or the “Company”) filed a Current Report on Form 8-K to report that on March 31, 2005 Cleveland-Cliffs Australia Pty Limited (“Cliffs Australia”), a wholly-owned subsidiary of the Company, acquired approximately 68 percent of the outstanding shares of Portman Limited (“Portman”), a Western Australia-based iron ore mining and exploration company for $371.7 million. Through the close of the offer on April 19, 2005, Cliffs-Australia acquired an additional 12 percent for $62.1 million, increasing its ownership to approximately 80 percent of the outstanding shares of Portman. The consideration for each Portman Share was A$3.85 in cash. The assets consist primarily of land, mineral rights and iron ore reserves. The following unaudited pro forma condensed consolidated financial statements have been prepared to give effect to the Company’s acquisition of Portman using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed consolidated financial statements. These unaudited pro forma condensed consolidated financial statements were prepared as if the acquisition had been completed as of January 1, 2004 with respect to the statements of operations, and as of March 31, 2005 with respect to the balance sheet.

The unaudited pro forma condensed consolidated financial statements are based upon the respective historical financial statements of Cliffs and Portman. These unaudited pro forma condensed consolidated financial statements should be read in conjunction with: (i) the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 filed on April 29, 2005; (ii) the Company’s Annual Report on Form 10-K for the year ended December 31, 2004 filed on February 22, 2005; (iii) Portman’s financial statements as of and for the year ended December 31, 2004, included in this Form 8-K/A as Exhibit 99.2; and (iv) the accompanying notes to the unaudited pro forma condensed consolidated financial statements. The financial statements of Portman included in Exhibit 99.2 to this Form 8-K/A have been presented in Australian dollars and prepared in accordance with generally accepted accounting principles in Australia, whereas all other amounts for Portman included herein have been presented in U.S. dollars and prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”).

The unaudited pro forma condensed consolidated financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of Portman. The purchase price allocation presented herein is preliminary; final allocation of the purchase price will be based upon the results of third party valuations, which are currently in process but not yet complete. Accordingly, final purchase accounting adjustments may differ from the pro forma adjustments presented herein.

The unaudited pro forma condensed consolidated financial statements are intended for informational purposes only and, in the opinion of management, are not necessarily indicative of the financial position or results of operations of the Company had the acquisition actually been effected as of the dates indicated, nor are they indicative of the Company’s future financial position or results of operations.

The unaudited pro forma condensed consolidated financial statements do not include potential cost savings from operating efficiencies or synergies that may result from the acquisition.

CLEVELAND-CLIFFS INC AND CONSOLIDATED SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
TWELVE MONTHS ENDED DECEMBER 3HM ĈS|OL I⌠NS1L IS1 ČS¾ Ŏ SSĎ Ā SS1 S1

Notes to Unaudited Pro Forma Condensed Consolidated F

million ($2.3 million after-tax) for the year ended December 31, 2004 relating to foreign currency hedges.

Note 2. Preliminary Purchase Price Allocation

The unaudited pro forma condensed consolidated financial statements reflect an estimated total purchase price of $433.8 million. The purchase price is summarized as follows:

	In Millions
Cash	$ 420.5
Acquisition Costs	13.3
Purchase Price	$ 433.8

Under the purchase method of accounting, the total estimated purchase price will be allocated to the assets acquired and liabilities assumed of Portman based upon their estimated fair value as of the date of the acquisition. The following represents the preliminary allocation of the aggregate purchase price as of March 31, 2005:

	In dise