



Item 1.01 Entry into a Material Definitive Agreement.

On April 13, 2006 Cleveland-Cliffs Inc (the "Company") entered into a letter agreement with Mittal Steel USA Inc. ("Mittal") that resolves the dispute between the companies over the terms of the iron ore supply agreement between the Company and Mittal's Weirton facility. Under the terms of the letter agreement, the three separate iron ore supply agreements between the Company and Mittal's Cleveland and Indiana Harbor West, Indiana Harbor East and Weirton facilities are modified to aggregate Mittal's purchases under the agreements during the years 2006 through and including 2010. During this period, Mittal is obligated to purchase specified minimum tonnages of iron ore pellets on an aggregate basis as specified in the letter agreement. The terms of the letter agreement permit Mittal to manage its ore inventory levels through buy down provisions, which permit Mittal to reduce its tonnage purchase obligation each year at a specified price per ton, and with deferral provisions, which permit Mittal to defer a portion of its annual tonnage purchase obligation beginning in 2007.

Mittal is permitted under the letter agreement to use the committed volume at any of its facilities. The letter agreement also provides for consistent nomination procedures during the 2006 to 2010 time period across all three iron ore supply agreements. As part of the settlement, the Company will cancel its invoice for approximately 325,000 tons of iron ore pellets that were originally purchased by Mittal's Weirton facility in January 2006.
