





**SIGNATURES**

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 hereunto duly authorized.

*April 27, 2006*

Cleveland-Cliffs Inc

*By: George W. Hawk, Jr.*

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*Name: George W. Hawk, Jr.*

*Title: General Counsel and Secretary*

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**P**

**Portman**

**Limited**

ABN 22-007 871 892

27 April 2006

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**(9 pages in total)**

The Announcements Officer  
Australian Stock Exchange (Sydney) Limited  
Level 10  
20 Bond Street  
SYDNEY NSW 2001

**Electronically Lodged**

Dear Sir

**QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2006**

Please find attached Portman's Quarterly Report for the period ended 31 March 2006.

Yours faithfully

/s/ L. A. Kipfstuhl

L. Kipfstuhl  
**COMPANY SECRETARY**

**PORTMAN LIMITED**

**P**

A.B.N. 22 007 871 892

**QUARTERLY REPORT FOR THE PERIOD ENDED  
31 MARCH 2006**

**HIGHLIGHTS**

**Earnings**

- Net profit \$16.8 million.

**7<sup>th</sup>g**

- Iron ore prices remain under negotiation but continued market tightness for fine ore points to a further increase.

## **Koolyanobbing Project**

- Quarterly shipments totalled 1.311M tonnes.
- All infrastructure assesss.

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- Corporate overheads were favourable \$0.5 million, reflecting higher interest income on invested cash and lower staffing.

### Capital Expenditure

The Company's capital expenditure program for 2006 including the completion of the approved expansion to 8 million tonnes per annum and new profit improvement and other sustaining capital items, is estimated to total \$42.8 million, which will be funded from current cash flow. Capital expenditures in 2005 totalled \$76.9 million.

Expenditures on the expansion project are nearing completion and are estimated to be \$19.4 million in 2006 bringing the revised project total to \$87.4 million. Delays caused by shortages of skilled labour, weather and equipment deliveries all contributed to the cost increase of \$8.1 million from the previously reported estimate.

The plant is currently in ramp up mode while punch list items are completed and minor adjustments made. Portman expects to be shipping at the 8.0 million tonne rate in the third quarter.

### Liquidity

At March 31, 2006, Portman had \$57.2 million of cash and cash equivalents. At December 31, 2005, Portman had \$74.5 million of cash and cash equivalents. The \$17.3 million decrease in liquid assets primarily reflected the increased capital expenditures and an increase working capital.

### Outlook

Richard Mehan, Managing Director stated that the delay in completion of the expansion project will reduce Portman's estimated 2006 sales volume to 7.0 million tonnes from the Koolyanobbing Project. "We continue to see the effects of skills shortages and fuel costs on the input costs for our operation. Production costs per tonne are expected to increase approximately 15% from the 2005 cost of sales. The market continues to be strong and we are devoting our efforts towards bringing the new plant into stable operation".

### Accounting Change

In the quarter, Portman changed its accounting policy to expense Exploration Expenditures as incurred. The prior period comparative has been restated as if this policy had applied.

2.0	PORTMAN IRON ORE		
2.1	Koolyanobbing Project		
2.1.1.	Production		
	Production and shipments for the quarter were as follows:		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	<u>Mar Qtr 2006</u>	<u>YTD 2006</u>	<u>Mar Qtr 2005</u>
Koolyanobbing Iron Ore Project	-	-	-
<b>Waste: (bcm)</b>			
Koolyanobbing	474,038	474,038	132,353
Mt Jackson	259,786	259,786	376,264
Windarling	1,582,463	1,582,463	1,111,092
<b>Total Waste</b>	<b>2,316,287</b>	<b>2,316,287</b>	<b>1,619,709</b>
<b>Ore Mined: (wmt)</b>			
Koolyanobbing	283,272	283,272	95,714
Mt Jackson	584,287	584,287	766,028
Windarling	693,441	693,441	620,110
<b>Total Ore Mined</b>	<b>1,561,000</b>	<b>1,561,000</b>	<b>1,481,852</b>
<b>Ore Processed: (wmt)</b>			
Lump	584,974	584,974	722,941
Fines	576,408	576,408	697,361
<b>Total Ore Processed</b>	<b>1,161,382</b>	<b>1,161,382</b>	<b>1,420,302</b>
<b>Ore Railed: (wmt)</b>			
Lump	752,020	752,020	630,116
Fines	572,578	572,578	668,830
<b>Total Ore Railed</b>	<b>1,324,598</b>	<b>1,324,598</b>	<b>1,298,946</b>
<b>Ore Shipped: (wmt)</b>			
Lump	750,480	750,480	654,979
Fines	560,473	560,473	670,331
<b>Total Ore Shipped</b>	<b>1,310,953</b>	<b>1,310,953</b>	<b>1,325,310</b>

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**2.1.2. Project Development**

- Commissioning of the upgraded plant and Koolyanobbing stockpile areas has been completed.
- Production will move P





**Directors**

John Brinzo

Chairman