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throughout the mines in which we have invested. As we increase our ownership in our managed mines, we can more readily share best practices through cross-mine teams, allowing us to increase operating efficiencies and decrease cm



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the



■

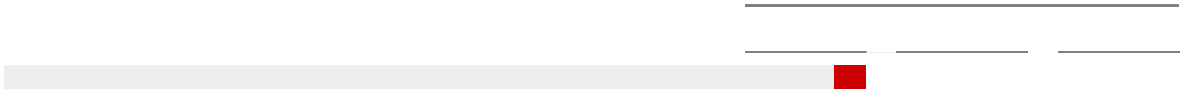
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the RAP is approximately \$1 million plus the EPA's future oversight costs, which costs will be apportioned among the PRPs on a pro rata basis. The PRPs are jointly and severally liable for the obligations im



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worked on our entities' vessels and the vessels of such other shipowners, as well as ships



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repair and the cost of





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Operations and Customers

Sales

The Company's pellet s e C mp i e'

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- (3) Primarily includes deferred income taxes payable (principally related to the ISU re-rated le



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products. F ~





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If one or more of these customers were to significantly reduce their purchases of iron ore products from us, or if we were unable to sell iron ore



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We cannot assure that WCI, Weirton and Stelco will successfully emerge from bankruptcy or restructuring or that they will continue to meet their obligations.



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additional material obligations, including significant pension and post-retirement health and life insurance benefit obligations. On January 29, 2004, Stelco applied and obtained



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addition, many of our mines



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resolution of currently pending claims in the aggregate would not reasonably be expected to have a m \hat{w}

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name to Net earnings, p

and estimated expense and funding requirements for 2004, including our share of expense and funding obligations with respect to unconsolidated ventures are as follows;ows pl

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the lock-up period will re



—

—

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Cleveland-Cliffs Inc and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

Accounting Policies

Business: The Company is the largest supplier of iron ore pellets to integrated steel companies in North America.



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Cleveland-b



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Cleveland-Cliffs Inc and Consolidated Subsidiaries

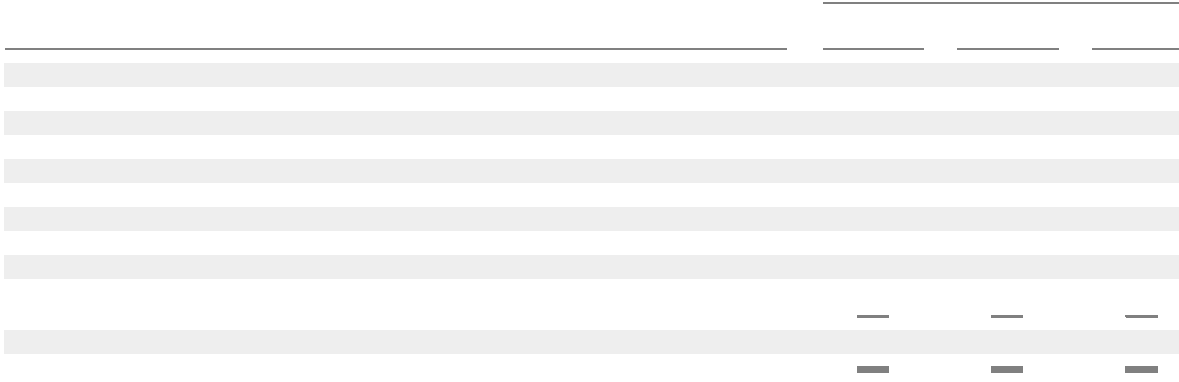
Notes to Consolidated Financial Statements



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Cleveland-Cliffs In



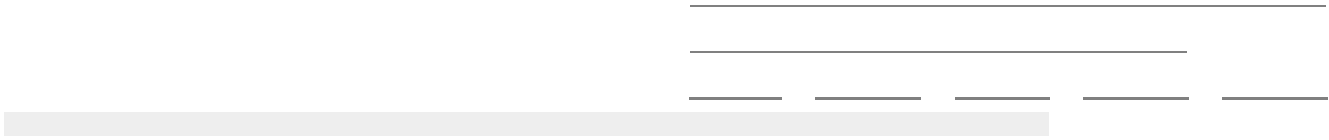




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Cleveland-Cliffs Inc and Consolidated Subsidiaries

Notes to Consolidated Financial Statements — (Continued n







PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a)(1) and (2) — List of Financial Statements and Financial Statement Schedules.

The following consolidated financial statements of Cleveland-n ~njolidatesl sltBtalcsveac

EXHIBIT INDEX

(All references to filings of Cleveland-Cliffs Inc are to SEC File No. 1-8944)

Pag

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Exhibit
Number

Pagination by
Sequential
Number System

Addi

the specification of such other class or series, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates as of which such shares shall be convertible, and other terms and conditions or

proportionate dividend, based on the number of elapsed days, for the period from the day after the mo

(b) The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or the sale, lease or conveyance of all or substantially all the property or business of the Corporation, shall not be deemed to be a dissolution, liquidation or winding up for the purposes of this

#####

ranking on a parity with the Class A Preferred Stock
or an increase in the authorized number of s

in the over-the-counter market as furnished by any member of
the National As7

distributions in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and (ii) either as to the payment of dividends or as to distribution in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or as to both, rank

on an equality (except as to the amounts fi'di dation, d

winding up of the CorporationM

"EXCHANGE RIGHT" shall have the meaning assigned to it in Section 10(a) of this Subdivision.

"EX-DIVIDEND DATE" shall have the meaning assigned to it in Section 9>is

Shares (or other Common Shares in'

(a)
Preferred Sto

The Corporation may not redeem any shares of Series A-2

(a) In case the Corporation shall hereafter pay a dividend or make a distribution to all holders of the outstanding Common Shares in Common Shares, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect at the opening of business on the date following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution by a fraction,

(i) the Conversion Rate shall be equal to the ratio of the number of shares of Common Stock outstanding at the opening of business on the date following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution to the number of shares of Common Stock outstanding at the opening of business on the date fixed for the determination of shareholders entitled to receive such dividend or other distribution.

for such determination" within R

security) are exchanged for or converted into any combination of cash,

23

securities or other property, the date fixed for determination of shareholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(iv) "TRADING DAY" shall mean a day during' e e e h, l

Corporation or any other Person), no adjustment need be made thereafter as to the cash, assets, property or securities. Interest will not accrue on any cash into which the Series A-2 Preferred Stock is convertible.

(m) Whenever the Conversion Rate is adjusted as herein provided, the Corporation shall promptly file with the Conversion Agent an Officers' Certificate setting forth the Conversion Rate in accordance with the provisions of the Charter.

(iii) the Corporation has legally available funds for such Exchange;

(iv) the Corporation has paid, or provided for the payment of, all dividends on the Series A-2 Preferred Stock, and all Liquidated Damages Amounts, if any, for all Dividend Periods ending on or prior to the Exchange Date; and

26

(v) the Corporation has entered into an Indenture substantially in the form of Exhibit A to this Subdivision with a trustee eligible pursuant to the Trust Indenture Act to act as such, that is a national association or other entity having corporate trust powers, that is organized and doing business under the laws of the United States of America or any state thereof or the District of Columbia and that has a combined capital and surplus of at least \$100,000,000 (or if such person is a member of a bank holding company system, its bank holding company shall have a combined capital and surplus of at least \$100,000,000) and is otherwise eligible. If such person publishes reports of condition at least annually, then for the purposes of this Section the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published;

(vi) the Corporation delivers to the trustee a certificate of one of its executive officers and an opinion of legal counsel, in substantially the form attached hereto as Exhibit G.

The Corporation may only exercise the Exchange Right in whole and not in part.

(b) If the Corporation exercises the Exchange Right, the Corporation will provide notice to the trustee and the holder of the Exchange Right.

notwithst

(i) Series A-2 Preferred Stock Purchased in Part. Upon surrender of a certificate or certificates representing shares of the Series A-2 Preferred Stock that is or are purchased in part,

33

the Corporation shall execute and the Transfer Agent shall authenticate and deliver to the holder, a new certificate or certificates representing shares of the Series A-2 Preferred S...rWe

Stock, unless (x) DTC is unwilling or unable

side of the form of Series A-2 Preferred Stock certif

"DEBENTURE" or "DEBENTURES" means any Debenture or Debentures, as the case may be, authenticated and delivered under this Indenture, including any Global Debenture.

"DEBENTURE REGISTER" has the meaning specified in Section 2.05(a).

"DEBENTURE REGISTRAR" has the meaning specified in Section 2.05(a).

"DEBENTUREHOLDER" or "HOLDER" as applied to any Debenture, or other similar terms, means any Person in whose name at the time a particular Debenture is registered on the Debenture Registrar's books.

"DEFAULT" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"DEFAULTED INTEREST" has the meaning specified in Section 2.03.

"DEPOSITARY" means DTC or its successor depositary.

"DESIGNATED EVENT" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

incurred or assumed;Ma

Interest shall be payable at the office of the Company maintained by the Company for such purposes in the Borough of Manhattan, City of New York, which shall initially be an office or agency of the Trustee. The Company shall pay interest (i) on any Debentures in certificated form by check mailed to the address of the Person entitled thereto as it appears in the Debenture Register (or upon written notice, by wire transfer in immediately available funds, if such Person is entitled to interest on aggregate principal in excess of \$2 million) or (ii) on any Global Debenture by wire transfer of immediately available funds to the account on entity \$2

Debenture, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

Section 2.05. Exchange and Registration of Transfer of Debentures; Restrictions on Transfer. The Company shall cause to be kept at the Corporate Trust Office a register (the register maintained in such office and in any other office or agency of the Company designated pursuant to Section 6.02 be)â

it no longer wishes to have all the Debentures represented by Global Debentures. Any Global Debenture exchanged pursuant to clause (A) or (B) above shall be so exchanged in whole and not in part and any Global Debenture exchanged pursuant to clause (C) above may be exchanged ind

certificate evidencing such Debenture (and all securities issued in exchange therefor or substitution thereof) (And

Trustee or such authenticating agent upon the same conditions

Debentures for redemption on such date.

Upon presentation of any Debenture redeemed in part only, the © redeemerde

Event Purchase Notice at any time prior to the close of business on the Business Day prior to the applicable Designated Event Purchase Date specifying:

(i) the certificate number, if any, of the Debenture in respect of which such notice of withdrawal is being submitted, or the

If the Trustee receives any Payment Blockstee

substantially as an entirety, to another Person upon the terms and conditions provided for in Article 13 shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of

thereof that any such holder may have or otherwise be charged with. Senior Indebtedness may be created, renewed or extended and -

trusts herein contained and upon such payment by the Company or any paying agent
to the Trustee, the Company or such paying agent shall be released from ~~the~~ herei y

Section 6.09. Liquidated Damages Notice. In the

Section 7.04. Reports by Company. The Company shall file with the Trustee (and the Commission if at any time after the Indenture becomes qualified under the Trust Indenture Act), and transmit to holders of Debentures, such information, documents and other reports and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act, whether or not the Debentures are governed by such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the Trustee within fifteen (15) calendar days after the same is so required to be filed with the Commission. Delivery of such reports, information and documents to the Trustee is for informati ~~de~~quired t

to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: Subje

shall not be in conflict with any rule of law or with this Indenture, (b) the
~~Trustee shall not be~~ (b) the Trustee shall not be
~~held liable for any action~~ which is not inconsistent with such direction,
(c) the Trustee may decline to take any action that would benefit some
~~particular class of~~ holders of the Debentures if the Trustee

reasonable security or indemnity satisfactory to the Trustee again

may be, and

least six (6) months; or

(ii) the Trustee shall cease to be eligible in accordance

within ten (10) calendar days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mav

in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Debentures shall be proved by the registry of such Debentures or by a certificate of the Debenture Registrar.

The record of any Debentureholders' meeting shall be proved in the manner provided in the Deben

12.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Debentures under any other provision of this Indenture or under applicable law.

Section 11.02. Call Of Meetings By Trustee. The Trustee may at any time call a meeting of Debentureholders to take any action specified in Section 11.01, to be held at such time and at such place as the Trustee shall determine, at the expense of the Company. Notice of every meeting of the Debentureholders, setting forth the time and the place of such meeting and in general terms the action to be taken thereat, shall be mailed to the holders of the Debentures at their addresses as they shall appear on the Debenture Register. Such notice shall also be mailed to the Company. Such notices shall be mailed not less than twenty (20) nor more than ninety (90) calendar days prior to the date fixed for the meeting.

date pursuant to Section 10.01, shall be mailed to holders of Debentures at their addresses as they shall appear on the Debenture Register. Such notice shall also be mailed to the Company. Such notices shall be mailed not less than twenty (20) nor more than ninety (90) calendar days prior to the date fixed for the meeting.

Notice of every meeting of the Debentureholders, setting forth the time and the place of such meeting and in general terms the action to be taken thereat, shall be mailed to the holders of the Debentures at their addresses as they shall appear on the Debenture Register. Such notice shall also be mailed to the Company. Such notices shall be mailed not less than twenty (20) nor more than ninety (90) calendar days prior to the date fixed for the meeting.

meeting of D

(i) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualifications of this Indenture under the Trust Indenture Act, or under any similar federal statute hereafter enacted; or

(j) make other changes to the Indenture or forms or terms of the Debentures, provided no such change individually or in the aggregate with all other such changes has or will have an adverse effect on the interests of the Debentureholders.

Upon the written request of the Company, accompanied x M d

Cleveland-Cliffs Inc any or all of the Debentures, issuable hereunder that theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor Person instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be

taxing authority imposing the applicable taxes certified copies of tax receipts evidencing the p

Exchange Date. If the Trading Price (as such term is defined in the Subdivision)
per share of the Series A-2 Prefèa

during the period after a Record Date f

Section 16.05(d), called the "DISTRIBUTED PROPERTY"), then, in each such case (unless the Company elects to reserve such Distributed Property for distribution to the Debentureholders upon the conversion of the Debentures so that any such

becomes effective" or "the day upon which such combination becomes effective,"
as the case may be, and "the day upon which such subdivision 'd' may beq

(i) the numerator of which shall be the sum of (x) the
Fair Market Value (determi©

(i) in any case referred to in clause (1) hereof, the occurrence of such event,

(ii) in any case referred to in clause (2) hereof, the date any such dividend or distribution is paid or made,

94

(iii) in any case referred to in clause (3) hereof, the date of expiration of such rights or warrants, and

(iv) in any case referred to in clause (4) hereof, the date a sale or exchange of Common Shares pursuant to such tender or exchange offer is consummated and becomes irrevocable.

(any

Debenture converted, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue 'ed

of any such provisions, and shall be protected in relying upon, any Officers' Certificate (which the Company shall be obligated to file with the Trustee prior to the executiona'Rhe

by any provision of this Inden

under the Trust Indenture Act, such required provision shall control.

Section 17.08. No Security In

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed.

CLEVELAND-CLIFFS INC

By: _____
Name:
Title:

[Insert name of Trustee], as Trustee

By: _____
Name:
Title:

under the laws of the State of Ohio (herein called]f th

percent (100%) of the principal amount, together with accrued and unpaid interest and Liquidated 3n

Debenture Certificate Number (if applicable):

Principal amount to be repurchased (if less than all):

Social Security or Other Taxpayer Identverti

OF

CLEVELAND-CLIFFS INC

FACE OF SECURITY

UNLESS THIS CERTIFICATE IS PRESENTED TFAC

obligatory for any purpose.

B-2

IN WITNESS WHEREOF, Cleveland-Cliffs Inc has executed this certificate as of the date set forth below.

CLEVELAND-CLIFFS INC

By: _____
Name:
Title

by this Global Preferred Share shall be _____. The following exchanges of a part of this Global Preferred Share have been made:

<TABLE>
<CAPTION>

Amount of increase in	Number of
--------------------------	-----------

require, prior to registering any such transfer of the Securities, such legal opinions, certifications and other information as the Corporation has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as provided by Rule 144 under such Act.

[Name of Transferor]

By: _____
Name:
Title:

Dated:

cc: Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, Ohio 44114-2589
Attn: Corporate Secretary

EXHIBIT D

Form of Common Share Legend

~~"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED BY THE 'SECURITIES ACT'"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE~~
OF 3,

CHECK ONE BOX BELOW

(1) pursuant to an exe

SECTION 3. Redemption.

(a) ~~mp~~

such liquidation, dissolution or winding up. In case the net assets of the Corporation legally available therefor are insufficient to permit the payment up

other Directors of the Corporation, the two Directors elected by the holders of Class B Preferred R

FORM OF 3.25% REDEEMABLE CUMULATIVE CONVERTIBLE
PERPETUAL PREFERRED STOCK, SERIES A-2

Number

Reference is hereby made to select provisions of the Series A-2 Preferred Stock set forth on the reverse here h

and irrevocably appoints:

agent to transfer the shares of SVE M

OD. 64

"EFFECTIVENESS DEADLINE DATE" has the meaning set forth in Section 2(a) hereof.

"EFFECTIVENESS PERIOD" means the period commencing on the date the Initial Shelf Registration Statement is declared effective and ending on the date that all Registrable Securities have ceased to be Registrable Securities.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"FILING DEADLINE DATE" has the meaning set forth in Section 2(a) hereof.

"HOLDER" has the meaning set forth in the second paragraph of the Memorandum.

Amount has accrued, the registered holder of such Underlying Common Shares on
the Record Date immediately preceding ediatRR

(iii) above upon expiration of the D... Me... Me... Me... Me

occurred and are continuing (a "DAMAGES ACCRUAL PERIOD"), the Company shall pa

of clause (A) above, as promptly as is practicable, (y) in the case of
clause (B) above, as soon as, in the sole judgment of the Company,
public disclosure of such Material Event would not be prejudicial to or
contrary to the interests of the Company or b^y t^o the

any time an indemnified party shall'

to the reporting requirements of the Exchange 'R

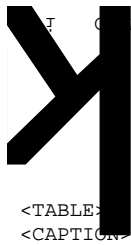
Title: Senior Vice President - Chief
Financial Officer and Treasurer

Confirmed and accepted as of
the date first above written:

MORGAN STANLEY & CO. INCORPORATED

By /s/ Trevor R. Burgess

Name: Trevor R. Burgess
Title: Executive Director



CC

-- 3 6 3 6 :
Exhibit 21

Subsidiaries of Cleveland-Cliffs Inc
as of February 6, 2004

<TABLE>
<CAPTION>

Name of Subsidiary

Jurisdiction of Incorporation
or Organization

<S>

<C>

~~CC~~ 'Re -- iRaEeRC A '
Cleveland-Cliffs Ore Corporation(1),(2)è IM
Cliffs and Associates R and R<C>

and-ClaiffCliffedaware iM C - C de
IM RRRRR ~~Cliff~~

CO

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers
of the Corporation herein named, do hereby certify that the following persons are

ofiii, thoftr lc,gnhidhunded rehoihrs

CERTIFICATION P

Cleveland-Cliffs Inc and Consolidated Subsidiaries
Schedule II - Valuation and Qualifying Accounts
(Dollars in Millions)

#

<TABLE>
<CAPTION>

#	Balance at B\$--	Additions		Balance at
		Charged to Cost B\$--	Charged - t M	

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