

PART I

Item 1. *Business.*

Introduction

Founded in 1847, Cleveland-

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has moved from a position where demand was largely satisfied by domestic supply in the early 1990's to being a net importer of iron ore in 2005.

While iron is an abundant element, iron ore production is concentrated within five regions/countries (China, South AJ

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Steel USA"). Consolidation is also occurring globally, as evidenced by Mittal Steel's offer to acquire Arcelor S.A. and Arcelor S.A.'s pending acquisition i iecqúi ò



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Weirton blast furnaces. Similarly, in September 2005, Steel Dynamics, In, ps i



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We depend on a limited number of customers, and the loss of, or significant changes in, our customers



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derived from sales of iron ore pellets to the North American integrated steel industry, consisting of 10 current or pote



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weather, floods and availability of process water due to drought) and natural disasters, pit wall failures, unanticipated geological conditions, including va;



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Employers' Accounting for Postretirement Benefits other than Pensions' unfulfilled APBO obligation had a present value of \$1.1 billion at December 31, 2014.

We calculate our total accumulated postretirement benefit obligation ("APBO") for our OPEB benefits under Statement of Financial Accounting Standards No. 43, "Accounting for Postretirement Benefits other than Pensions," as follows:

ga e calculated the unfulfilled obligation based on



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are of limited duration and do not cover all of our fuel needs, and priud



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Item 1B. UB

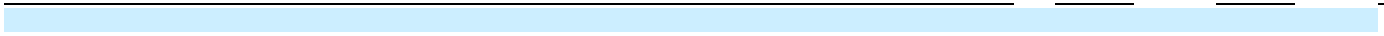
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Tilden Mine. The Tilden mine is located on the Marquette Iron Range in Michigan's Upper Peninsula approximately five miles south





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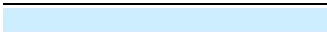
reduction in maximum mining depth due to dewatering capabil,

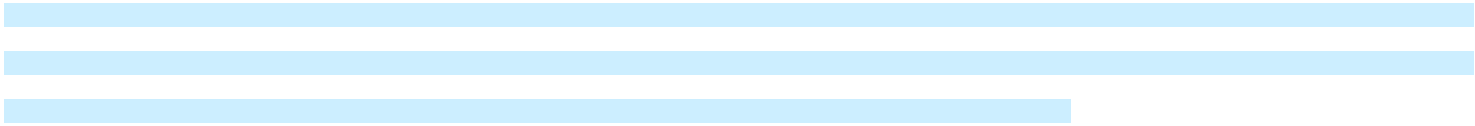


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amount of in excess of \$4.1 million resulting from an alleged failure of Tilden to notify WEPCO of planned production in excess of seven million tons per year. We consider WEPCO's counterclaim to be without merit and intend to defend the counterclaim vigorously. Pursuant to the terms of the relevant







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Two-for-One Stock Split

On November 9th, 2004, the Board of Directors of the Company approved a two-for-one stock split of its Common Shares with a corresponding decrease in par value from \$1.00 to \$.50. ¹

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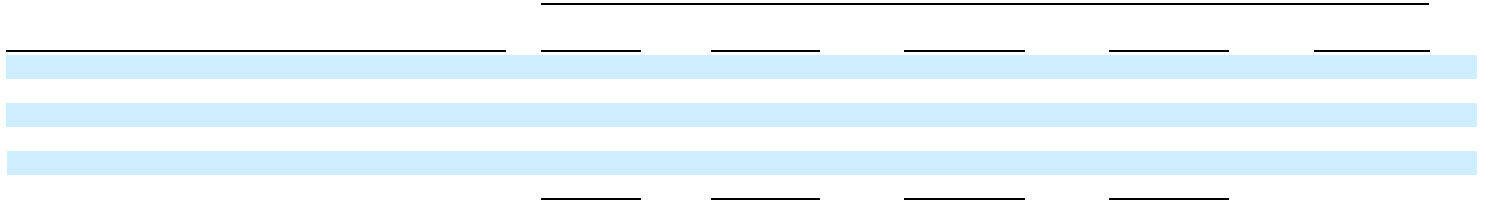
acquisition, Portman had currency derivatives used to hedge its currency exposure for a portion of its sales receipts denominated in U.S. dollars. Although Portman ; d



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than October 30, 2006. Our projected capital expenditures in 2006 to meet the proposed MACT standards are approximately \$4.4 million.



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parties. As a final component of the purchaspq



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current. Payments in 2005 were \$5.6 million (\$6.4 million in 2004). The obligations at December 31, 2005 include certain responsibilities for environmental remediation sites, \$17.8 million, closure of LTVSMC, \$30.4 million, and obligations for closure of our six North Andif

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and the Rio Tinto Working Group (“RTWG”) composed of the Company, Atlantic Richfield Company, Teck Cominco American Incorporated, and E. I. du Pont de Nemours and Company. The Consent Order provides for technical review by the U.S. Department of the Interior Bureau of Indian Affairs, the U.S. Fish & Wildlife Service, U.S. Department of Agriculture Forest Service, the NDEP and the Shoshone-Paiute Tribes of the Duck Valley Reservation (collectively, “Rio Tinto Trustees”) located downstream on the Owyhee River. The Consent Order is currently projected to h



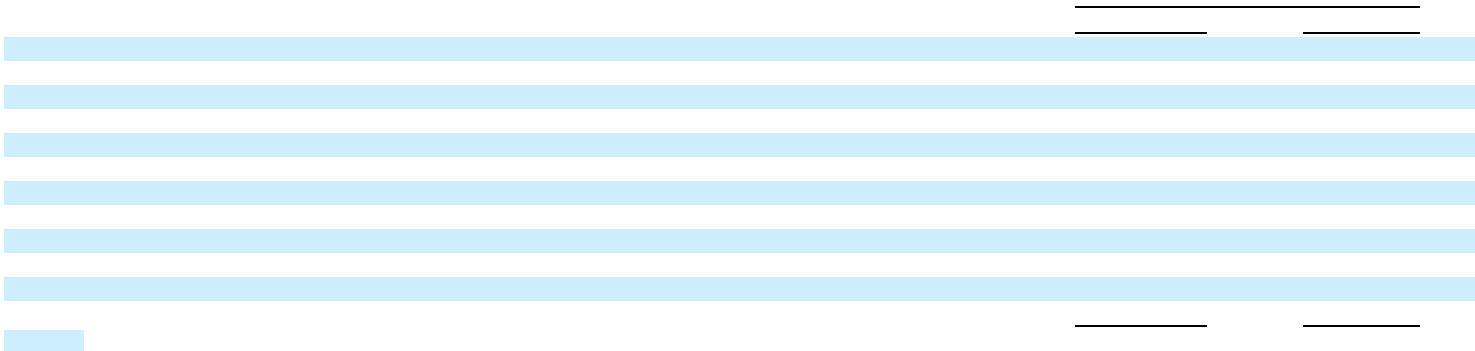
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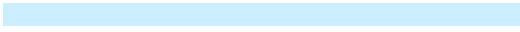
Revenue Recognition

See “Accounting Policies” in Item 8, Financial Statements and Supt









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Cleveland-Cliffs Inc and ConsolidUn





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Cleveland-Cliffs Inc and Consolidated Subsidiaries

Notes to Consolidated Financial Statements — (Continued)

In December 2003, FASB modified SFAS Statement No. 132 (originally issued in February 1998), “Employers’ Disclosures about Pensions and Other Postretirement Benefits,” to improve financial statement disclosures for defined benefit plans. The change replaces the existing SFAS disclosure requirements for pensions. The standard requires that companies provide more details about an

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Cleveland-Cliffs Inc and Consolidated Subsidiaries

Notes toZ ~ u





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Cleveland-Cliffs Inc and Cons



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Cleveland-Cliffs Inc and Consolidated Subsidiaries

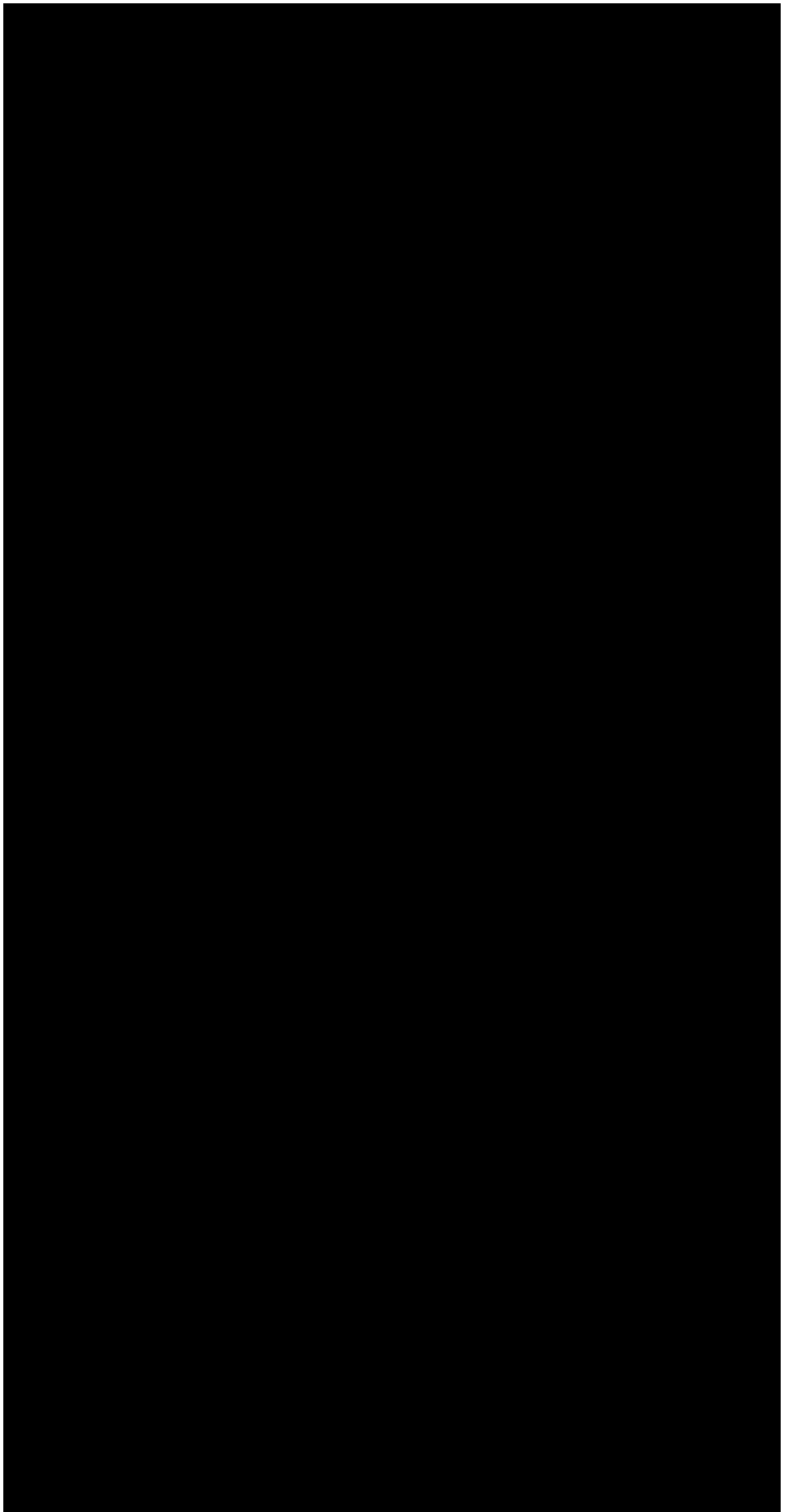
Notes to Consolidated Financial Statements — (Continued)

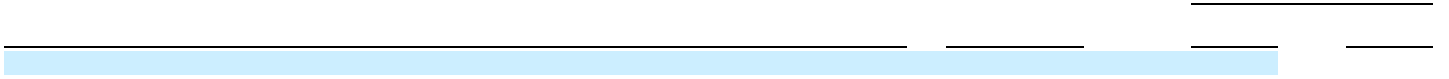
On August 26, 2004, we received a Request for Information pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) relative to the investigation of additional contamination below the ground surface at the Milwaukee Solvay site. The Request for Information was also sent to 13 other PRPs. On July 14, 2005, we received a General Notice Letter from the EPA notifying us that the EPA believes we may be liable under CERCLA and requesting that we, along with other PRPs, voluntarily perform clean-up activities at the site. We have responded to the General Notice Letter indicating that there had been no communications with other PRPs but also indicating our willingness to begin the process of negotiation with the EPA and other interested parties regarding a Consent Order. Subsequently, on July 26, 2005, we received from other PRPs

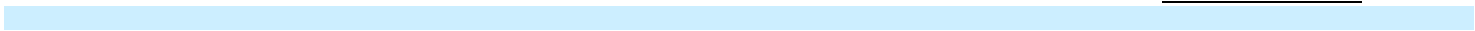
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Cleveland-Cliffs Inc and ConsolidUn



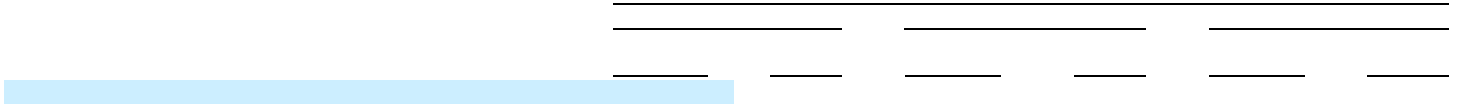












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**Exhibit
Number**

**Pagination by
Sequential
Numbering System**

10(b)

* Ame

defer all of his or her Annual Equity Grant and/or all or a portion of his or her Fees, Required Retainer Shares and/or Voluntary Shares.

2

(n) "Deferred Fees": The Fees credited to a Director's Deferred Fee Account pursuant to Articles T

(e) Unless otherwise directed by the Administrator, all certificates representing Restricted Shares shall be held in custody by the Company until the occurrence of a Vesting Event. As a condition to each award of Restricted Shares, unless otherwise determined by the Administrator, each Director shall have delivered to the Company a stock power, endorsed in blank, relating to the Restricted Shares covered by such award. After the occurrence of a Vesting Event, assuming no event has occurred that would effect a forfeiture of a Director's Restricted Shares, a certificate or certificates evidences ev

Required Retainer Shares for each*

5.1 Determination of Deferred Fee Account. On any particular date, a Director's Deferred Fee Account 5c

The number of Shares toA

Deferred Fee Account or vested Deferred Shares Account, the form of payment of such accounts, or both, with respect to an amount previously deferred by the Director under a Deferral Commitment if all of the following requirements are met:

(a) Such election may not take effect until at least twelve months after the 5e

(b) To the extent applicable, it is intended that this Plan comply with the provisions of Ch

EXHIBIT 10(fff)

CONFIDENTIAL MATERIAL HAS BEEN
OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISS M

[*****].

- 2 -

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

(e). The words "iron unit", as used herein, shall mean one percent (1%) iron contained in a ton.

(f). The word "year", as used herein, shall mean a calendar year.

SECTION 2. - SALE AND PURCHASE.

(a). Cliffs shall sell and by these presents does sell and shall deliver to Severstal, the tonnages and grades of [*****] Pellets and [*****] Pellets or other mutually agree5n,iver

Severstal for the year 2006 (and during any years after 2006 in the event the Agreement is extended pursuant to Section 16), on or before g'

(j). [*****]

SECTION 6. - DELIVERY, CREDIT AND PAYMENT.

(a). For all cargoes of Cliffs' Pellets shipped to Severstal beginning as of the date hereof, Cliffs shall retain title to the cargoes of Cliffs' Pellets so shipped until Severstal makes payment for the Cliffs' Pellets. Severstal shall pay Cliffs for each cargo of Cliffs' Pellets shipped during the month by wire transfer to Cliffs no later than [*****] following the shipment of a cargo. Title to the Cliffs' Pellets for each such cargo of Cliffs' Pellets shipped shall pass to Severstal.

writing delivered to Cliffs within the thirty (30) calendar days after completion of discharge at port of discharge. No claim will be entertained after the Cliffs' Pellets have been consumed. Each par

The initial term of this Agreement shall commence as of the Effective Date and continue in effect until [****]. The Agreement shall continue annually from and after [****] for the obligation of Severstal to purchase from Cliffs and Cliffs to sell to Severstal all of Severstal's Annual Pellet Tonnage Requirements pursuant to Section 3(a) above. Notwithstanding the above, Severstal shall have the right to terminate the Agreement if at any time after [****], blast furnace production is no longer maintained by Severstal at the former Rouge Steel Company facilities and Severstal no longer t}. The Ag

shall be kept confidential and, without the prior written consent of the other party, shall not be disclosed to any party not a party to this Agreement except as required by law or governmental or judicial order and except that disclosure of the existence of this Agreement shall not be precluded by this Section 20.

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.

SECTION 24. - ARBITRATION.

(a). Upon notice y

pellets.....	2
PMSI.....	11
PMSI Termination Date.....	12
[*****].....	7
[*****].....	8
[*****].....	7
[*****].....	7
Quarterly Price Adjustment.....	5
Rouge.....	1
Sed....d....d....d d C.....	

ASTERISKS DENOTE SUCH OMISSIONS.

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