

TOTAL COSTS AND EXPENSES	148.5	125.8	320.7	255.3
INCOME BEFORE INCOME TAXES	27.2	23.1	50.7	47.0
INCOME TAXES				
Currently payable	4.1	8.0	7.6	11.3
Deferred	3.0	(6.0)	5.6	(1.3)
TOTAL INCOME TAXES	7.1	2.0	13.2	10.0
NET INCOME	\$ 20.1	\$ 21.1	\$ 37.5	\$ 37.0
NET INCOME PER COMMON SHARE				
Basic	\$ 1.80	\$ 1.86	\$ 3.33	\$ 3.26
Diluted	\$ 1.78	\$ 1.85	\$ 3.30	\$ 3.24
AVERAGE NUMBER OF SHARES (IN THOUSANDS)				
Basic	11,207	11,379	11,286	11,375
Diluted	11,264	11,484	11,363	11,443

See notes to financial statements

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CLEVELAND-CLIFFS INC
STATEMENT OF CONSOLIDATED FINANCIAL POSITION

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		(In Millions)	
		September 30 1998	December 31 1997
		<C>	<C>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 115.5	\$ 115.9
Accounts receivable - net		68.9	73.4
Inventories			
Finished products		41.3	46.3
Supplies		13.4	15.1
		54.7	61.4
Federal income taxes		7.7	7.5
Other		7.3	7.6
		254.1	265.8
TOTAL CURRENT ASSETS			
PROPERTIES		205.9	272.3
All			

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LIABILITIES AND SHAREHOLDERS' EQUITY

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CURRENT LIABILITIES	\$ 87.0	\$ 91.8
LONG-TERM OBLIGATIONS	70.0	70.0
POSTEMPLOYMENT BENEFIT LIABILITIES	69.8	70.1
OTHER LIABILITIES	55.1	55.0
SHAREHOLDERS' EQUITY		
Preferred Stock		
Class A - no par value		
Authorized - 500,000 shares; Issued - none	-	-
Class B - no par value		
Authorized - 4,000,000 shares; Issued - none	-	-
Common S2d -		

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Foreign Currency
Translation Adjustment

non-recurring 1997 Savage River earnings. Savage River, which produced its last iron ore pellets in December, 1996, earned \$2.9 million in to , earned

June 30	11,322,047	11,374,448	11,614,517
September 30	11,148,453	11,379,357	11,367,717
December 31		11,308,914	11,369,717

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During the third quarter of 1994arteeee

Mine. The Company-managed mines are currently planning to start the year 1999 operating at capacity levels; how

operations to verify that progress is on schedule toward completion of the Year
2000 Compla

- Accounting principle or policy changes by the Financial Accounting Standard p

August 1, 1998 and to be paid through the C

(ii) discrimination, including but not limited to claims of discrimination on the basis of sex, race, age, national origin, marital status, religion or handicap, including, specifically, but without limiting the generality of the foregoing

acknowledges that Confidential Information includes any and all information, whether reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form), or maintained in the mind or memory of Executive and whether compiled or created by the Company, which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, that reasonable efforts have been put forth by the Company to maintain the secrecy of Confidential Information, that such Confidential Information is and wOp4

in addition to any other rights or remedies which the Company may have at law, in equity or under this Agreement, upon adequate proof of Executive's violation of any provision of Paragraph 6 or 7 of this Agreement, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage.

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(c) Notwithstanding subparagraph (a) of this Paragraph 9, (i) the Company shall have no right of set-off against any amounts payable to Executive under Paragraphs 3 and 4 of this Agreement, (ii) if Executive breaches this

directors' and officers' liability coverage maintained by Company, as in effect from time to time, to the same extent as other current and former senior executive officers and directors of the Company.

18. GOVERNING LAW. The validity, interpretation, construction and performance of this Agreement shall be as otherwise provided.

Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the 20th day of 2020.

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I am a party to a Retirement and Consulting Agreement, dated

this Paragraph 7, any place), he shall not, directly or indirectly, do or suffer any of the following:

(i) Own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, partnership, proprietorship, firm, association, or other business entity (collectively, an "Enterprise"), or otherwise engage in any business, which is in competition with the Company's business (orpl, Cd is

event, such violat

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This schedule contains summary financial information extracted from statements of consolidated income, consolidated financial position and computation of
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Cliffs-managed Wabush Mine in Canada and an iron ore customer, petitioned for protection under Chapter 11 of the U.S. Bankruptcy Code. At the time of the filing, Cliffs had a \$1.2 million trade receivable from Acme. In recognition of growing concerns about steel industry condition... At \$1. g,ilimsiignin At \$1. usndes tcoRRg Acm te Cbusle un\$more ong RiodeCodetc ab .

and Canada, which was fairly strong through the first half of 1998, took a sudden turn for the worse in the third quarter. Record levels ...njo gh 99 '4

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CLEVELAND-CLIFFS INC

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(In Millions)

ASSETS	Sept. 30 1998	June 30 1998	Dec. 31 1997	Sept. 30 1997
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<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS				
Cash and cash equivalents	\$ 115.5	\$ 71.7	\$ 115.9	\$ 86.4
Accounts receivable - net	68.9	73.2	73.4	71.8
Inventories	54.7	87.5	61.4	78.4
Other	15.0	16.6	15.1	14.5
TOTAL CURRENT ASSETS	9.0	5.8	.8	.8