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# Deferred Revenue

The terms of one of our North American Iron Ore pellet supply agreements require bi-monthly installments equaling 1/24th of the estimated total purchase value of the calendar-year nomination. Revenue from this supply agreement is recognized when title has transferred upon shipment of pellets. Installment amounts received in excess of sales totaled \$42.9 million and was recorded as Deferred revenue on the September 30, 2007 Statements of Condensed Consolidated Financial Position.

Two of our North American Iron Ore customers purchased and paid for a total of 1.2 million tons of pellets in December 2006 under terms of take-or-pay contracts. The inventory was stored a psnt .Ros as ua. sund ft.s .cu2.tc td o

Agent and Letter of Credit issuer and tde otder enders art tdereto ro<sup>™</sup>tding or a E ioon re<sup>™</sup>to<sup>™</sup>thg redit a iout s deduoed

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contributions of approximately \$133 million (Company share \$40 million) will be required to maintain the debt to equity ratio required under the loan agreements. As of September 30, 2007 capital contributions have totaled approximately \$89 million (Company share \$26.7 million).

s lematea r The Amapa Project consists of a significant iron ore a r sn0f a\$\$

 **Environmental** 

Our mining and exploration activities are subject to various laws and regulations gov aousla

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(In Millions)					
Three	Months				
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requirements are estimated to be \$525 million, with approximately \$395 million to be funded with pro

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# Production

Following is a summary of coal production tonnage for 2007:

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Following is a summary of our common shares outstanding:

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	2007	2006
March 31	41,025,412	43,797,072
June 30	41,020,111	42,170,090
September 30	41,832,680	41,238,739
December 31		

payments of \$2.6 million. As a rests ever nn iayme oe ymee o

Our strategy to address increasing energy rates includes improving efficiency in energy usagei.ct

# <u>OUTLOOK</u>

North A £h

As a result of the weaker U.S. dollar relative to the Australian dollar, combined with increased maintenance, labor and other cost.tost

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independent second¤, i, .g

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Mining is complex due to e

• Amounts of rock and other naturals

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I, Joseph A. Carrabba, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Cleveland-Cliffs Inc;
- 2. Based on