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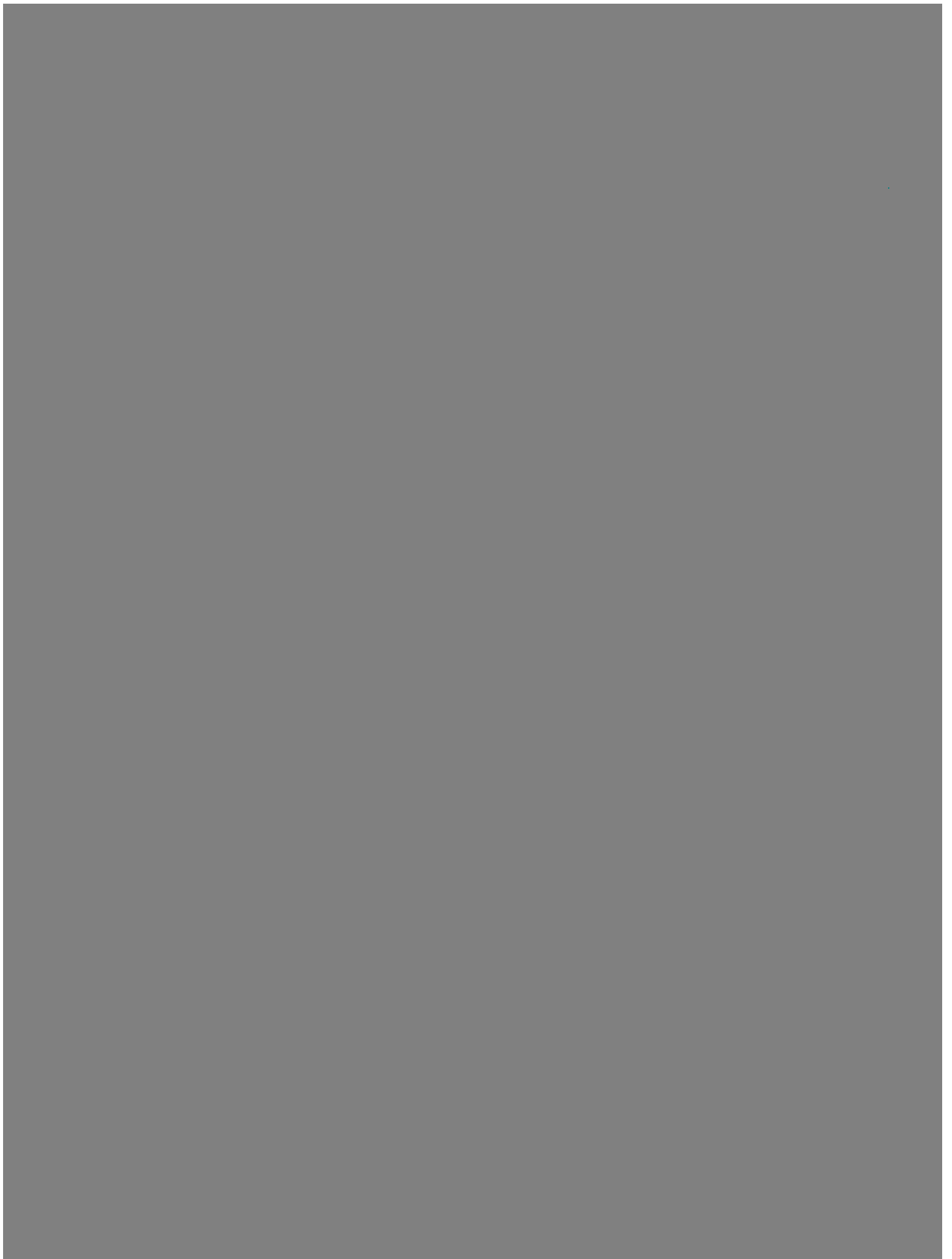
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required the sale of excess natural gas quantities in the first quarter, the Company's objective for entering into forward contracts is to hedge price fluctuations. Such contracts, when entered into, are in quantities expected to be used in the production process and, accordingly, are accounted for as normal purchases. At September 30, 2001, the forward instruments had a notional value of \$1.



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CASH FLOW AND LIQUIDITY

At September 30, 2001, the Company had cash and cash equivalents of \$101.2 S

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On August 26, 2001, Acme Metals Incorporated, a 15.1 percent participant in the Wabush Mines joint venture, ceased funding its cash requirements for its obligations at Wabush Mines. As a result, production will be curtailed in the fourth quarter by about .4 million tons. Acme Metals Incorporated has been oKia

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acquire the 225 megawatt electric genMr



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- Unanticipated geological conditions or ore processing changes;
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DIRECTOR AND OFFICER INDEMNIFICATION AGREEMEN

(i) to the extent of any fine or similar governmental imposition which the Company is prohibited by applicable law from paying which results from a finalmi
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~~and~~ ~~asset~~ include fees and expenses of attorneys and/or others), judgments, fines, and amounts paid in settlement (collectively, "LIABILITIES"), which have been actually and reasonably incurred by me in connection with a claim referred to in SECTION 3(a) of the aforesaid Indemnification Agreement.

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3. With respect to all matters related to any such claim, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against LiabilitiCan

made to each Participant.

VI. Vesting; Payment; Termination of Employment

om (At Subject's death or termination of employment with the Company, the
Bonus Award will become payable, and shall be paid to the Participant or his or her

and distribution. Any attempted disposition in contravention of the preceding sentence will be null and void.

X. No Claim or Right to Plan Participation

No employee or other person will have any claim or right to be selected as a Participant under the Plan. Neither the Plan nor any action taken pursuant to the Plan will be construed as giving any employee any right to be re cc-

PREFERABILITY LETTER ON ACCOUNTING CHANGE FROM ERNST & YOUNG LLP

October 22, 2001

The Board of Directors of
Cleveland-Cliffs Inc

Note C of notes to the consolidated financial statements of Cleveland-Cliffs Inc
included G OeNG

NEWS RELEASE

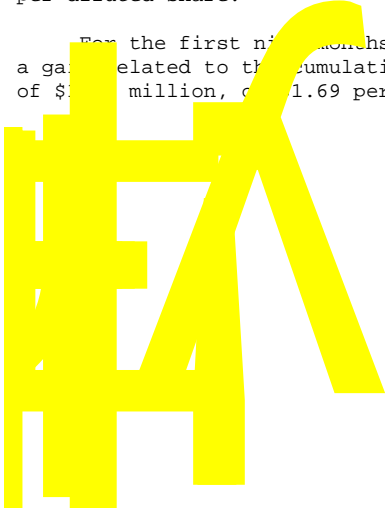
Cleveland-Cliffs Inc
1100 Superior Avenue
Cleveland, Ohio 44114

CLEVELAND-CLIFFS REPORTS

THIRD QUARTER 2001 RESULTS

Cleveland, OH -- October 24, 2001-- Cleveland-Cliffs Inc (NYSE:CLF) today reported a third quarter net loss of \$1.7 million, or \$0.16 per diluted share. In the third quarter of 2000, Cliffs recorded net income of \$6.3 million, or \$0.60 per diluted share.

For the first nine months of 2001, the Company reported a net loss, net of a gain related to the cumulative effect of a change in accounting for pensions, of \$1.7 million, or \$0.169 per diluted share. The net loss before the cumulative



was 2.2 million tons versus 3.0 million tons in 2000, and nine-month production was 6.8 million tons

American steel industry and is developing a significant ferrous metallics business. Subsiny

Diluted
10.5

10.1

10.4

10.1

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