





CLEVELAND-



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The gross margin of \$.1 million in 2003 was \$14.2 million higher than 2002. The improvement was principally due to production curtailment costs (\$13.8 million

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[CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES](#)

At March 31, 2003, the Company had cash and cash equivalents of \$53.9 million, compared to \$50.2 million at March 31, 2002.

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unrecognized fair value gain of \$4 million (Company share \$3 million) based on March 31, 2003 forward rates. The contracts mature in April 2003.



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and development expenditures. Alternatively, changes in economic conditions, or the expected quality of ore reserves could decrease capacity or mineral reserves.c



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and has provided accounting reserves, in accordance with SFAS No. 5, for such matters which it believes to be adequate, an unanticipated liability or increase in a curus



PART II — OTHER INFORMATION


Item 1. Legal

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Item 15. Exhibits and Reports on Form 8-K

- (a) List of Exhibits — Refer to Exhibit Index on page 25.
 - (b) During the first quarter of 2003, the Company filed Current Reports on Form 8-K, dated January 2, January 13, January 29, and March 19, 2003, covering information reported under Item 9. Regulation FD Disclosure. The Company also filed Current Reports on Form 8-K dated April 8, 2003 covering information reported under Item 9. Regulation FD Disclosure; and dated April 23, 2003 covering information reported under Item 9. Regulation FD Disclosure but furnished
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EXHIBIT INDEX

Exhibit Number	Exhibit	eA
400	Amendment, effective as of March 14, 2003, to Note Agreements dated as of February 1995, among Cleveland-Cliffs Iron Company and the other	

Ladies and Gentlemen:

Reference is made to the separate Note Agreements each dated as of December 15, 1995, as amended by the First Amendment Agreement dated as of December 15, 2002 among Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and each of you (the "Existing Note Agreements," as amended hereby, the "Note Agreements") and (ii) the \$55,000,000 aggregate principal amount of 7.00% Senior ~~d~~em

items which the Company or any of its Subsidiaries is required to deliver to the Banks pursuant to Section 1117

Note Purchase Agreement shall be amended by adding "of the Company or any Subsidiary" after the parenthetical phrase presently included therein and before the word "in". In addition, Section 6

forth in Section 4 hereof shall be true and correct in all material respects as of the date of the execution and d

to which such Obligor or any of its properties is subject, (C) any material order,

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NORTHSHORE SALES COMPANY
WABUSH IRON CO. LIMITED
CLIFFS OIL SHALE CORP.
CLIFFS ERIE L.L.C.
CLIFFS MINING COMPANY
CLIFFS MINING SERVICES COMPANY
CLIFFS REDUCED IRON CORPORATION
CLIFFS REDUCED IRON MANAGEMENT COMPANY
IRONUNITS LLC
NORTHSHORE MINING COMPANY
SEIGNELAY RESOURCES, INC.
SILVER BAY POWER COMPANY
THE CLEVELAND-CLIFFS STEAMSHIP COMPANY
CLIFFS BIWABIK II

This foregoing Second Amendment Agreement is hereby accepted and agreed to as of the date aforesaid. The execution by each holder è ion by ea rAm o d s oand eye sahe i Thd b y lo Cl eed

purchased by it pursuant to the Note Agreements.

SUN LIFE ASSURANCE COMPANY OF CANADA

By /s/ John N. Whelihan
Name: John N. Whelihan
Title:

SECTION 5.	REPRESENTATIONS AND WARRANTIES.....	16
Section 5.1.	Organization and Qualification.....	16
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Section 5.3.	Authority and Validity of Obligations.....	17
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Section 5.5.	Financial Reports.....	18
Section 5.6.	At No MameDialtDwerBriChange.D.4.tDna.....	18
Section 5.7.	Full Disclosure.....	

Person, whether through the ownership of voting securities, common directors,
trustees or officers, byw

Margin (i.e., the Cash Flow Leverage Ratio shall be deeme

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"Event of Defa

"Material Adverse Effect" means (a) a material aC(a) a

SECTION 2. THE CREDITS.

Section 2.1. Revolving Credit. Subject to the termD2.1 0 IC

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Credit as set forth in Section 2.13 hereof.

Section 2.4. Manner and Disbursement of Loans.

thereon, the status of the Loan

business as now conducted, a

financing contemplated hereby, do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the Borrower only represents that the same were prepared on the basis of information and estimates the Borrower believed to be reasonable at the time prepared.

Section 5.8. Trademarks, Franchises and Licenses. The Borrower and its Subsidiaries own, possess or have the right to use all necessary patents, licenses, franchises, trademarks, trade names, trade st]m

on Schedule 5.16, as of the date hereof, neither the Borrower nor any Subsidiary has any contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA.

Section 5.17. C

such statements or, if a Default or Event of Default exists, a detailed description of the Default or Event of Default and all actions the Borrower is taking with respect to such Default or Event of Default, (y) confirming that the representations and warranties stated in Section 5 remain true and correct in all material respects, and (z) showing the Borrower's compliance with the covenants set forth in 6.11, 6.12, and 6.13.

(d) Notice of Default or Litigation. Promptly, and in any event within five Business Days after any Responsible D.

receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (c) its intention to terminate or withdraw from any Plan subject to Title IV of ERISA, and (d) the occurrence of any event with respect to any Plan which would result in the incurrence

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by the Borrower or any Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of the Borrower or any Subsidiary with respect to any post-retirement Welfare Plan benefit.

Section 6.7. Payment of Taxes. The Borrower will, and will cause each of its Subsidiaries to, pay, or discharge if appropriate, all taxes, assessments, fees, and other governmental charges imposed upon it or any of its Property, before becoming delinquent and before any penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by proper proceedings and as to which appropriate reserves are provided therefor, unless and until any Lien resulting therefrom attaches to any of its Property.

Section 6.8. No Changes in Fiscal Year. The Borrower shall not, nor shall any of its Subsidiaries, change its fiscal year from its present basis.

Section 6.9. Change in the Nature of Business. The Borrower shall not, and shall not cause any of its Subsidiaries to, change the nature of its business or the nature of the business of any of its Subsidiaries.

result of such acquisition or increased interest, will, under GAAP, be,

(h) the Borrower or any Subsidiary shall (i) have entered involuntarily against i

pursuant to any of the terms hereof shall immedi

taxation of the overall net income or gross receipts of the Ba]I

Credit Agreement.

This Note is issued b

Th'yyyyyy3y

- 1. Consolidated Adjusted Net Worth \$_____
- 2. Consolidated Adjusted Net Worth must not be less than \$_____
- 3. The Borrower is in compliance (circle yes or no) yes/no

E. Capital Expenditures (Section 6.13)

- 1. Year-to-date Capital Expenditures Certain year ago C C \$_____
- 2. Permitted B pital Expt \$_____3333 2-a_____

transfer of such shares or prohibits the creation of a lien on or pledge of such shares by the Borrower or any of its Subsidiaries.

3. Any agreement, contract, lease, right-of-way, permit, license orrolicensy agreemes

obligation on the part of said Bank at any time to resort for payment to said Borrower or to

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any other Guarantor, or to any other person or corporations, their properties or estate, or resort to any collateral

certified or registered ma

20. Each Guarantor hereby submits to the nonexclusive jurisdiction

REPUBLIC WETLANDS PRESERVE LLC

By: Marquette Iron Mining
Partnership, its sole member
By: The Cleveland-Cliffs Ore
Corporation, its partner

By: /s/ Robert Emmet
Name: Robert Emmet
Title: Treasurer

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Accepted and agreed to as of the date first above written.

FI A

SECOND AMENDMENT
TO THE
AMENDED AND RESTATED CLEVELAND-CLIFFS INC
RETIREMENT PLAN FOR NON-EMPLOYEE 'I

SECOND AMENDMENT
TO THE
CLEVELAND-CLIFFS INC NONEMPLOYEE
DIRECTORS SUPPLEMENTAL COMPENSATION PLAN

RECITALS

WHEREAS, Cleveland-Cliffs Inc (the "Company") has established the
Cleveland-Cliffs Inc Nonemployee Directors Supplemental Cithls ày

TO

CERTIFICATION PURSUANT TO
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