

INCOME BEFORE INCOME TAXES	----- 14.0	----- 49.3	----- 17.0	----- 49.1
Income taxes (credits)				
Currently payable	3.9	15.3	4.7	15.2
Deferred	(0.3)	0.5	(0.3)	0.5
	-----	-----	-----	-----
TOTAL INCOME TAXES	3.6	15.8	4.4	15.7
	-----	-----	-----	-----
NET INCOME	\$ 10.4	(0.3)X33)		

JUNE 30, 1994

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited financial statements have 6th statemet

EXPENSES:

Operating costs	\$ 6.8	\$ 7.0
Interest	--	--
	-----	-----
TOTAL EXPENSES	\$ 6.8	\$ 7.0
	=====	=====

</TABLE>

In February, 1994, the Company reached agreement in principle with Algoma Steel Inc. ("Algoma") and Stelco Inc. to restructure and simplify the '01 in ant th

the two standards. However, certain prior year amounts have been reclassified to conform to current year classifications.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

COMPARISON OF SECOND QUARTER AND FIRST SIX MONTHS - 1994 AND 1993

Net income for the second quarter of 1994 was \$10.4 million, or \$.86 per share. Comparable earnings in the second quarter of 1993 were \$10.5 million, or \$.88 per share, be*s-----e

-----	-----	-----
<S>	<C>	<C>
Robert S. Colman	10,892,647	42,978
James D. Ireland III	10,892,977	42,648
G. Frank Joklik	10,890,596	45,029
E. Bradley Jones	10,891,907	43,718
Leslie L. Kanuk	10,892,687	42,938
Gilbert H. Lamphere	10,891,792	43,833
M. Thomas Moore	10,891,922	43,703
Stephen B. Oresman	10,891,872	43,753
Alan Schwartz	10,892,089	43,536
Samuel K. Scovil	10,891,860	43,765
Jeptha H. Wade	10,892,170	43,455
Alton W. Whitehouse	10,893,335	42,290

</TABLE>

Votes cast geouse 9

CLEVELAND-CLIFFS INC

VOLUNTARY NON-QUALIFIED
DEFERRED COMPENSATION PLAN
(AMENDED AND RESTATED AS OF JANUARY 1, 1994)

ARTICLE I

PURPOSE

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period prior to the first Determination Date applicable to a Participant's Account shall be deemed earned ratably over such period.

5.4 STATEMENT OF ACCOUNTS. The Committee shall cause to be kept a detailed record of all transactions affecting each Participant's Account and shall provide to each Participant, within 120 days after the close of *eachd

6.5 COMMENCEMENT OF PAYMENTS. Commencement of payments under Section 6.1 of the Plan shall begin as soon as practicable, and in accordance with the payment commencement date elected by the ParO'P

ARTICLE IX

AMENDMENT 'O

expense thereof would substantially detract from the benefits intended to be extended to an Eligible Employee hereunder. Accordingly, if it should appear that the Employer has failed to comply with any of its obligations under thising

