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COSTS AND EXPENSES :

LONG-TERM OBLIGATIONS

70.0

70.0

POST EMPLOYMENT BENEFITS

67.2

67.3

NET CASH (USED BY) FINANCING ACTIVITIES

(30.9)

(24.5)

EFFECT OF EXCHAN

NOTE C - ENVIRONMENTAL RESERVES

The Company has a formal code of environmental conduct which promoi .



LIQUIDITY  
- - - - -

At September 30, 1996, the Company had cash and marketable securities of \$156.3 million. Since December 31, 1995, cash and marketable securities have increased \$7.5 million due to cash flow from O

Federal Courts.

CAPITALIZATION

- - - - -

Long-term obligations effectively serviced by the Compan...yXb



OTHER DEVELOPMENT

- - - - -

The labor contract economic reopeners at the Empire, Hibbing Taconite and Tilden mines were settled based on the pattern of the recent steel company settlements. The contracts expire on August 1, 1999.

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CLEVELAND-CLIFFS INC

Date November 13, 1996

By /s/ J. S. Brinzo

J. S. Brinzo
Executive Vice President-Finance and
Principal Financial Officer

EXHIBIT INDEX

<TABLE>
<CAPTION>
Exhibit
Number

Exhibit

Table with 3 columns: Exhibit Number, Exhibit Description, and Filed/Herewith status. Includes entries for 4(a) and 10(a).



Amendment may be delivered via telecopy transmission with the same effect as the delivery of a manually executed

AMENDED AND RESTATED CLEVELAND-CLIFFS INC  
RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS

THIS RETIREMENT PLAN FOR NON-EMPLOYEE DIRECTORS ("Plan") was established effective June 1, 1984 by The Cleveland-Cliffs Iron Company ("Cliffs Iron") and adopted and assumed by Cleveland-Cliffs Inc, an Ohio corporation ("Cleveland-Cliffs" or the "Company"), effective September 1, 1985, amended and restated effective January 1, 1988, amended by First Amendment, dated July 1, 1995, and is amended and restated effective July 1, 1995 to read as follows:

RECITALS  
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A. The Board of Directors of the Company (the "Board of Directors") has determined that the Participants (as hereinafter defined) have, individually and collectively, made and may continue to make an essential contribution to the profitability, growth, financial strength and overall guidance of the Company.

B. The Company wishes to provide an incentive to attract and maintain the highest quality of individuals to serve as directors (the "Directors") of the Company.

SECTION 1. ESTABLISHMENT OF THE PLAN

~~Shall be effective as of the date of the adoption of this Plan.~~

1.1 THE PLAN. The Company, intending that the Participants and Directors shall rely thereon, hereby establishes this Plan.

1.2 AMENDMENTS, ETC. The Company shall not amend, suspend or terminate this Plan or any provision hereof, including without limitation this Section 1.2, without the prior approval of a majority of the Directors present at a meeting of the Board of Directors at which a quorum (as defined in the Bylaws) is present.

Regulations of the Company) is present. Anything in the Plan to the contrary notwithstanding, and notwithstanding any amendment, suspension or termination (hereinafter in this Section 1.2 collectively referred to as an "Amendment") of any Director





obligations hereunder except as expressly provided in Section 4.1(a). Without limiting the generality of the foregoing, no right or interest under this Plan of a Participant or Director (or any person claiming through or under any of them)

-7-

shall be assignable or transferable in any manner or be subj \*4





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all of its assets to any other corporation or other legal person, and  
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in accordance herewith, except that notices of change of address shall be effective only upon receipt.

4.3 FORFEITURE OF POST-RETIREMENT INCOME. No post-retirement income shall be paid to any Participant or Surviving Spouse hereunder unless the Participant agrees (i) to be available to the Company in an unpaid advisory capacity on and after his Commencement Date, and (ii) not to engage in any activity adverse to the interests of the Company. In the event the Participant breaches such agreement, no further payments to the Participant or his Surviving Spouse shall be made hereunder. Anything contained herein to the contrary notwithstanding, the provisions of this Section 4.3 shall not apply in the event of a Change of Control.

4.4 GOVERNING LAW. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Ohio, without giving effect to the principles of conflict of Control



