

CLEVELAND CLIFFS INC

Form 8-K

November 05, 2001

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): November 2, 2001

CLEVELAND-CLIFFS INC

(Exact name of registrant as specified in its charter)

OHIO

(State or other jurisdiction
of incorporation)

1-8944

(Commission
File Number)

34-1464672

(IRS Employer
Identification No.)

1100 Superior Avenue, Cleveland, Ohio

(Address of principal executive offices)

44114

(Zip Code)

Registrant's telephone number, including area code: (216-694-5700)

(Former name or former address, if changed since last report)

ITEM 9. Regulation FD Disclosure.

Cleveland-Cliffs Inc published a News Release on November 2, 2001 as follows:

**CLIFFS TO ACQUIRE ADDITIONAL 45 PERCENT INTEREST IN
TILDEN MINE AND ENTER INTO NEW SALES CONTRACT**

CLEVELAND, OH November 2, 2001 Cleveland-Cliffs Inc (NYSE:CLF) today announced the planned acquisition of Cannelton Iron Ore Company's 45 percent interest in the Tilden Mine for the assumption of Cannelton's share of Tilden liabilities at the time of the closing. Cannelton is a wholly-owned subsidiary of Algoma Steel, Inc. Cannelton's share of recorded liabilities at the time of closing is expected to be between \$15 and \$20 million. The acquisition is contingent on the successful financial restructuring of Algoma, and associated creditor and court approvals, which are likely to occur near year-end. Algoma has been operating under the Companies' Creditors Arrangement Act in Ontario, Canada since April 23, 2001.

The acquisition of Cannelton's interest in the Tilden Mine will increase Cliffs' ownership of the mine from 40 percent to 85 percent, and increase Cliffs' share of the mine's 7.8 million ton production capacity from 3.1 million tons to 6.6 million tons. Stelco, Inc. is the other 15 percent owner of the Tilden Mine located in Michigan's Upper Peninsula.

Separately, Cliffs and Algoma have agreed to terms for a sales agreement that will make Cliffs the sole supplier of iron ore pellets purchased by Algoma for a 15 year period. Sales to Algoma under this new contract are expected to range between 3.0 and 3.5 million tons per year over the contract term.

John S. Brinzo, Cliffs' Chairman and Chief Executive Officer, said, "The acquisition of this interest in the Tilden Mine is a major step forward in Cliffs' strategy to be a bigger, more powerful force in consolidating the North American pellet market. This transaction will increase Cliffs' share of the pellet production capacity of the five mines it currently manages from 12.8 million tons to 16.3 million tons, an increase of 27 percent. With most steel companies interested in exiting their ownership positions, there is a unique and exciting opportunity today for Cliffs to take a leadership position in remaking the iron ore business in the United States. Brinzo added, "Cliffs has had a long and valued relationship with Algoma, and we are pleased that this relationship will continue by way of our new long-term sales agreement with Algoma."

Cleveland-Cliffs is the largest supplier of iron ore products to the North American steel industry and is developing a significant ferrous metallurgy business. Subsidiaries of the Company manage and hold equity interests in five iron ore mines in Michigan, Minnesota and Eastern Canada. Cliffs has a major iron ore reserve position in the United States and is a substantial iron ore merchant. References in this news release to Cliffs' and Company include subsidiaries and affiliates as appropriate in the context.

