

CLIFFS NATURAL RESOURCES INC.

FORM 8-K (Current report filing)

Filed 04/26/07 for the Period Ending 04/26/07

Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
CIK	0000764065
Symbol	CLF
SIC Code	1000 - Metal Mining
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	12/31

UNITED STATES
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):

April 26, 2007

Cleveland-Cliffs Inc

(Exact name of registrant as specified in its charter)

Ohio

1-8944

34-1464672

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1100 Superior Avenue, Cleveland, Ohio

44114-2589

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

216-694-5700

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On April 26, 2007, Portman Limited ("Portman") filed with the Australian Stock Exchange its unaudited first quarter earnings for the period ended March 31, 2007. The "Quarterly Report for the Period Ended 31 March 2007" is contained in Item 9.01 as exhibit 99(a) on this Current Form 8-K and is incorporated into this Item 7.01 by reference. The information on this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or incorporated by reference in any filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99(a) Portman published an earnings release with the Australian Stock Exchange captioned, "Quarterly Report for the period ended 31 March 2007" on April 26, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 26, 2007

Cleveland-Cliffs Inc

By: *George W. Hawk, Jr.*

Name: George W. Hawk, Jr.

Title: General Counsel and Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.(a)	Portman published an earnings release with the Australian Stock Exchange captioned, "Quarterly Report for the period ended 31 March 2007" on April 26, 2007

**P
Portman
Limited**

26 April 2007

ABN 22 007 871 892

Level 11
The Quadrant
1 William Street
Perth 6000
Western Australia
GPO Box W2017
Perth, 6001
Tel:
Fax:

61 8 9426 3333
61 8 9426 3344

(11 pages in total)

The Announcements Officer
Australian Stock Exchange (Sydney) Limited
Level 10
20 Bond Street
SYDNEY NSW 2001

Electronically Lodged

Dear Sir

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2007

Please find attached Portman's Quarterly Report for the period ended 31 March 2007.

Yours faithfully

/s/ C.M. Rainsford

CM Rainsford
Company Secretary
PORTMAN LIMITED

PORTMAN LIMITED

A.B.N. 22 007 871 892

**QUARTERLY REPORT FOR THE PERIOD ENDED
31 MARCH 2007**

HIGHLIGHTS

Koolyanobbing Project

- Ore mined during the quarter was consistent with 8Mtpa production. Waste removal was satisfactory.
- Ore railed, however at 1.77Mt for the quarter was below the 95% performance target. Main issues were disruptions caused by heavy rain in January and various mechanical and scheduling difficulties. This area continues to be a top priority focus for management.

- Processing plant was operated at a rate consistent with railed in order to avoid excessive stocks. The CV1 upgrade is complete, and the plant is capable of 8Mtpa.
- Ore shipped during the quarter closely resembled railed tonnes, as expected.
- During this quarter, Portman's mining contract for Koolyanobbing was awarded to the BGC group. BGC are scheduled to commence operations during Q3.
- The year end forecast for ore sales from Koolyanobbing has been revised to 7.65Mt due to the lost tonnage during Q1, as a result of railed related issues.

Cockatoo Island Project (100%)

- Ore mining was adversely affected by heavy rainfall, although ore shipped was on target due to healthy product stocks.
- Feasibility work on Stage 3 is ongoing. Subject to final review, the intention is to optimise Stage 2 in the meantime.

PORTMAN LIMITED

A.B.N. 22 007 871 892

1.0	PORTMAN OPERATIONS UPDATE FOR FIRST-QUARTER
<u>Financials</u>	

-
- First quarter sales revenue was \$128.4m on 1.9 tonnes versus \$84.0m on 1.5m tonnes for the same period in 2006, reflecting higher volume and prices.
 - Cost of goods sold and operating expenses were \$89.0m in the first quarter, an increase of \$27.9m from 2006.
 - Sales margin increased \$17.9m from the first quarter 2006 to \$44.7m in 2007, also reflecting the higher volume and prices.

Inventory

At 31 March 2007 Portman had 0.9 million tonnes of finished product inventory, unchanged from 31 December 2006 and 0.4 million tonnes higher than 31 March 2006.

Capital Expenditure

The Company's capital expenditure program for 2007 of \$16.4 million supports process improvements and improved quality control which is being funded from current cash flow.

Liquidity

At 31 March 2007, Portman had \$132.2 million of cash and cash equivalents and \$13.0 million of held to maturity investments. At 31 March 2006, Portman had \$57.2 million of cash and cash equivalents. The \$88.0 million increase in liquid assets primarily reflected favourable earnings.

Outlook

The 2007 Australian average selling price of lump and fines ore is expected to increase approximately four percent compared with 2006. Per-tonne unit production costs are anticipated to be approximately eight percent higher in 2007.

Portman's 2007 production volume is expected to be approximately 8.4 million tonnes, which includes 0.6 million tonnes from Cockatoo Island. Full year sales are estimated to be approximately 8.3 million tonnes of which 7.65 million tonnes relates to the Koolyanobbing operation.

2.0

PORTMAN IRON ORE

2.1 Koolyanobbing Project

2.1.1. Production

Production and shipments for the quarter were as follows:

	<u>Actual</u> <u>Mar Qtr 2007</u>	<u>Actual</u> <u>YTD 2007</u>	<u>Actual</u> <u>Mar Qtr 2006</u>
Koolyanobbing Iron Ore Project			
Waste: (bcm)			
Koolyanobbing	401,496	401,496	474,038
Mt Jackson	189,120	189,120	259,786
Windarling	2,885,046	2,885,046	1,582,463
Total Waste	3,475,662	3,475,662	2,316,287
Ore Mined: (wmt)			
Koolyanobbing	635,065	635,065	283,272
Mt Jackson	541,450	541,450	584,287
Windarling	979,880	979,880	693,441
Total Ore Mined	2,156,395	2,156,395	1,561,000
Ore Processed: (wmt)			
Lump	853,542	853,542	584,974
Fines	941,430	941,430	576,408
Total Ore Processed	1,794,972	1,794,972	1,161,382
Ore Railed: (wmt)			
Lump	833,099	833,099	752,020
Fines	933,512	933,512	572,578
Total Ore Railed	1,766,611	1,766,611	1,324,598
Ore Shipped: (wmt)			
Lump	871,209	871,209	750,480
Fines	914,954	914,954	560,473
Total Ore Shipped	1,786,163	1,786,163	1,310,953

2.1.2. Project Development

- Mining rates at Mt Jackson and Windarling were above budget.
- Plant throughput has improved steadily throughout the quarter, CV1 upgrade and consolidated commissioning are now complete. The plant is capable of an 8Mtpa processing rate.
- Rail operations have been disappointing during the quarter with a reliability factor of 86% achieved, as opposed to budget of 95%. Due to ongoing rail maintenance throughout the year, this area is expected to be the major challenge for the balance of the year.
- Shiploading operations at the Port ran without loss during the quarter. Improvement work at the Port in relation to dust suppression is expected to be ongoing.

2.2.

Cockatoo Island Joint Venture (100%)

2.2.1. Production

Production and shipments for the quarter were as follows:

	<u>Actual</u> <u>Mar Qtr 2007</u>	<u>Actual</u> <u>YTD 2007</u>	<u>Actual</u> <u>Mar Qtr 2006</u>
<u>Cockatoo Island</u> <u>Iron Ore Project</u>	—	—	—
<u>Waste (bcm)</u>	—	—	<u>61,296</u>
<u>Ore Mined (wmt)</u>	<u>191,943</u>	<u>191,943</u>	<u>244,156</u>
<u>Ore Produced (wmt)</u>	<u>294,585</u>	<u>294,585</u>	<u>278,566</u>
<u>Ore Shipped (wmt)</u>	<u>274,976</u>	<u>274,976</u>	<u>305,200</u>

- Mine development was below target due to continued pit flooding as a result of severe rainfall.
- Shipping performance was less affected due to healthy ROM stocks. 4 ships were loaded during February/March.

2.3

Exploration

2.3.1.

Summary

Drilling during the quarter comprised a mix of resource definition drilling (Koolyanobbing C and D) and prospect testing (Koolyanobbing K North, B-north, G and Mt Finnerty FIN7).

At Cockatoo Island a definitive feasibility study assessing the technical and economic viability of developing a Stage 3 resource continues.

During the quarter Portman signed a letter agreement with Cape Lambert Iron Ore Limited and International Goldfields Limited which will enable Portman to explore for, and develop iron ore resources on 5 tenements located in the Evanston region, near Portman's Mt Jackson and Windarling operations. Cape Lambert holds the iron ore rights to the tenements. Portman can earn 100% of the iron ore rights by spending \$1million on exploration within 3 years of the commencement date with a minimum of \$300,000 to be spent in the first 12 months. Cape Lambert will receive a royalty of 1.5% of average per tonne value for iron ore products removed from the tenements.

2.3.2. Koolyanobbing Project Area

A summary of drilling activity for the quarter is as follows:

<u>Project</u>	<u>Drill Type</u>	<u># of Holes</u>	<u>Metres</u>
Mt Finnerty FIN7 Prospect	Reverse Circulation	<u>7</u>	<u>465</u>
Koolyanobbing B Deposit North	Reverse Circulation	<u>2</u>	<u>210</u>
Koolyanobbing C Prospect	Reverse Circulation	<u>8</u>	<u>1,090</u>
Koolyanobbing G Prospect	Reverse Circulation	<u>5</u>	<u>246</u>
Koolyanobbing K Deposit North	Reverse Circulation	<u>7</u>	<u>360</u>
Koolyanobbing D Prospect	Reverse Circulation	<u>9</u>	<u>1,176</u>
	Totals		<u>3,547</u>

- J5 Prospect — Final results from the 2006 resource drilling programme were received during the quarter. Intercepts below were not included in the recently announced resource.

- J4 Prospect — Drilling results were received for the drilling programme completed during 2006 over the eastern one third of the prospect. These have not yet been incorporated into a resource estimate.
- K Deposit North – Drilling during the quarter was targeted on outcropping mineralisation at the northern end of K Pit. Only 3 holes were completed to planned depth because of drilling problems in unconsolidated fill.
- C Prospect — Drilling was designed to test for continuity between structurally complex mineralised zones and thereby improve the geological resource model. It is planned to incorporate this drilling into a revised resource estimate during the second quarter of 2007.
- D Prospect — Drilling was designed to test for a northern extension to this deposit. Significant mineralisation was intersected in one hole below the existing pit but no northern extension was recognised visually. Assays are awaited.
- B Deposit North — Drilling was designed to test a conceptual target north of the current pit. No significant mineralisation was intersected.
- G Prospect — Drilling was designed to test the extent of mineralisation under shallow cover intersected by earlier drilling. No significant mineralisation was intersected.
- Mt Finnerty FIN7 — Drilling was designed to test depth extensions of surface enriched iron formation within the Mt Finnerty JV area 60 kilometres east of Koolyanobbing. Only weak iron enrichment was intersected and no further work is planned on this prospect.

Highlights of analytical results received during the reporting period include the following significant intercepts:

			Fe%	SiO ₂ %	A1 2O 3%	P %	S%			
J5 Prospect	—	-	—	—	—	—	—	—	—	—
	—	-	—	—	—	—	—	from	—	-
J5RC111	18	metres at	58.35	2.78	1.48	0.198	0.085	—	34	Metres
J5RC116	14	metres at	58.53	5.74	2.29	0.151	0.037	from	33	Metres
J4 Prospect	—	-	—	—	—	—	—	—	—	-
J4RC027	10	metres at	58.16	3.94	2.15	0.172	0.013	from	40	Metres
J4RC028	15	metres at	58.29	3.29	1.15	0.182	0.015	from	78	Metres
J4RC031	27	metres at	59.35	3.19	0.73	0.097	0.024	from	38	Metres
	22	metres at	58.17	2.5	1.12	0.234	0.009	from	73	Metres
J4RC032	18	metres at	58.54	3.14	1.78	0.174	0.023	from	58	Metres
	30	metres at	58.85	2.47	0.85	0.093	0.016	from	84	Metres
J4RC033	22	metres at	59.86	2.69	1.29	0.096	0.041	from	55	Metres
	18	metres at	59.18	1.53	1.2	0.395	0.018	from	96	Metres
J4RC034	63	metres at	59.55	2.27	0.79	0.075	0.033	from	13	Metres
J4RC035	34	metres at	58.98	3.01	0.84	0.117	0.041	from	15	Metres
J4RC036	23	metres at	58.64	3.61	1.12	0.134	0.025	from	1	Metres
J4RC039	31	metres at	58.67	2.7	1.39	0.152	0.019	from	59	Metres

<u>J4RC041</u>	<u>16</u>	metres at	<u>58.8</u>	<u>2.82</u>	<u>1.89</u>	<u>0.08</u>	<u>0.034</u>	from	<u>21</u>	Metres
<u>J4RC043</u>	<u>22</u>	metres at	<u>58.23</u>	<u>2.9</u>	<u>1.56</u>	<u>0.312</u>	<u>0.025</u>	from	<u>22</u>	Metres
<u>J4RC044</u>	<u>13</u>	metres at	<u>58.71</u>	<u>2.79</u>	<u>1.32</u>	<u>0.192</u>	<u>0.033</u>	from	<u>39</u>	Metres
<u>J4RC045</u>	<u>35</u>	metres at	<u>59.22</u>	<u>1.7</u>	<u>1.13</u>	<u>0.119</u>	<u>0.017</u>	from	<u>94</u>	Metres
<u>J4RC046</u>	<u>32</u>	metres at	<u>58.62</u>	<u>1.97</u>	<u>1.21</u>	<u>0.117</u>	<u>0.02</u>	from	<u>68</u>	Metres
C Prospect	—	-	—	—	—	—	—	from	—	-
<u>KCRC158</u>	<u>11</u>	metres at	<u>62.51</u>	<u>2.07</u>	<u>0.21</u>	<u>0.002</u>	<u>0.048</u>	from	<u>117</u>	Metres
<u>KCRC159</u>	<u>15</u>	metres at	<u>63.78</u>	<u>1.26</u>	<u>0.09</u>	<u>0.006</u>	<u>0.061</u>	from	<u>99</u>	Metres
<u>KCRC160</u>	<u>25</u>	metres at	<u>59.96</u>	<u>5.24</u>	<u>0.41</u>	<u>0.011</u>	<u>0.083</u>	from	<u>78</u>	Metres
<u>KCRC160</u>	<u>16</u>	metres at	<u>63.31</u>	<u>1</u>	<u>0.21</u>	<u>0.008</u>	<u>0.059</u>	from	<u>115</u>	Metres
<u>KCRC162</u>	<u>18</u>	metres at	<u>58.24</u>	<u>7.91</u>	<u>0.16</u>	<u>0.005</u>	<u>0.057</u>	from	<u>83</u>	Metres
<u>KCRC162</u>	<u>11</u>	metres at	<u>63.57</u>	<u>1.36</u>	<u>0.59</u>	<u>0.004</u>	<u>0.045</u>	from	<u>103</u>	Metres
<u>KCRC163</u>	<u>19</u>	metres at	<u>61.22</u>	<u>3.28</u>	<u>0.2</u>	<u>0.009</u>	<u>0.087</u>	from	<u>121</u>	Metres
K Prospect								from		
<u>KPRC126</u>	<u>17</u>	metres at	<u>58.49</u>	<u>13.15</u>	<u>0.29</u>	<u>0.082</u>	<u>0.02</u>	from	<u>10</u>	Metres
<u>KPRC127</u>	<u>26</u>	metres at	<u>59.56</u>	<u>12.06</u>	<u>0.09</u>	<u>0.117</u>	<u>0.004</u>	from	<u>33</u>	Metres

2.3.3. Cockatoo Island Joint Venture

The September quarterly reported a new JORC-compliant *in-situ* Indicated and Inferred resource estimate for a Stage 3 eastern extension of the Seawall Hematite orebody of 6.6M tonnes down to a depth of -50RL at Cockatoo Island. A definitive feasibility study was initiated assessing the technical and economic viability of developing this Stage 3 resource. A geotechnical drilling program was initiated during the reporting period. The information from this program will be utilized to design and cost various seawall containment structures and pit alignments. The Stage 3 feasibility study is scheduled for completion in the 2nd quarter 2007.

2.3.4. Exploration Expenditure

	(000's)		
	<u>Mar Qtr 2007</u>	<u>YTD 2007</u>	<u>Mar Qtr 2006</u>
Koolyanobbing Project \$	<u>818,505</u>	<u>818,505</u>	<u>755,291</u>
Cockatoo Island (100%) \$	<u>33,112</u>	<u>33,112</u>	<u>4,442</u>

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr R G Graber, who is a Member of the American Institute of Professional Geologists (AIPG), a 'Recognised Overseas Professional Organisation' included in a list promulgated by the ASX from time to time. Mr Graber is an employee of Cliffs Reduced Iron Management Company, a subsidiary of Cleveland-Cliffs Inc, and is seconded to the company. Mr Graber has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Graber consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

3.0 FOREIGN EXCHANGE HEDGING

Total residual foreign exchange cover for the Portman Group at 31 March 2007 was US\$278.0M.

YEAR	2007	2008	2009	TOTAL
Face Value US\$M	156.50	83.50	38.00	278.0
Weighted Avg “Worst” Case Hedge Rate	0.7762	0.7594	0.7738	0.7567

Portman Group’s current Foreign Exchange Policy, for all hedging, provides for:

- **Up to 12 months maturity:** Uncommitted Hedging: Minimum 50% Maximum 90% of forecast USD sales
Committed Hedging: Maximum 90% of forecast USD sales
- **12 to 24 months maturity:** Uncommitted Hedging: Minimum 25% Maximum 75% of forecast USD sales
Committed Hedging: Maximum 30% of forecast USD sales
- **24 to 36 months maturity:** Uncommitted Hedging: Minimum 15% Maximum 50% of forecast USD sales
Committed Hedging: Maximum 15% of forecast USD sales

PORTMAN LIMITED

A.B.N. 22 007 871 892

Corporate Information

Directors

Joseph Carrabba	Chairman
Richard Mehan	Managing Director/CEO
David Gunning	Director
Donald Gallagher	Director
William Calfee	Director
Laurie Brlas	Director
Michael Perrott	Independent Director
Malcolm Macpherson	Independent Director

Company Secretary

Chris Hunt
Caroline Rainsford

Registered Office

Level 11, The Quadrant
1 William Street
Perth 6000
WESTERN AUSTRALIA

Telephone: (08) 9426 3333
Facsimile: (08) 9426 3344

Internet site: www.portman.com.au

At 31 March 2007 there were 175,690,073 Ordinary shares on issue.

Substantial Shareholders as at 31 March 2007

Cleveland-Cliffs Australia Pty Ltd
AMP Limited

Reporting Calendar

Anticipated release dates for information in 2007 and other important anticipated dates are as follows:

Annual General Meeting 31 May 2007