



Minnesota Power, Cleveland-Cliffs Execute Purchase Agreement With LTV

(Duluth, MN)--Minnesota Power, a business of ALLETE, Inc. (NYSE:ALE), and Cleveland-Cliffs Inc (NYSE: CLE) announce that they have executed an Asset Purchase Agreement with LTV to acquire all of the assets of LTV Steel Mining Co. (LTVSMC). The LTVSMC mining operation was closed on Jan. 5, 2001, after LTV initiated a Chapter 11 bankruptcy proceeding. The purchase agreement is subject to approval from the U.S. Bankruptcy Court and satisfaction of other closing conditions.

Under terms of the purchase agreement, a subsidiary of Cliffs would pay \$12.5 million to LTV to acquire the taconite processing plant along with all of LTVSMC's property that is related to mining operations. Rainy River Energy Corp. - Taconite Harbor, a wholly owned subsidiary of Minnesota Power, would pay \$75 million in total to LTV and Cliffs to acquire certain non-mining properties from LTVSMC, including its electric generating facility and existing coal pile at Taconite Harbor, a sixty-mile transmission line connecting the generating facilities to the Iron Range, railroad trackage rights, and approximately 30,000 acres of forest and recreation land in northeast Minnesota. Rainy River companies are engaged in merchant generation and wholesale power marketing.

"Minnesota's growing need for electricity is well documented," said Don Shippar, Minnesota Power chief operating officer. "The Taconite Harbor generation facility will help serve Minnesota's energy requirements while returning dozens of jobs to the East Range."

"We are pleased that we were able to work with the State of Minnesota, the IRRRB and other stakeholders to ensure these assets are available for future economic development in Northeastern Minnesota," he continued. "As a part of this transaction, we will donate public use properties in Hoyt Lakes for the enjoyment of residents of Hoyt Lakes and the East Range. We will also work with the IRRRB to develop property near Giants Ridge."

The LTVSMC electric generation facility comprises three 75 MW (megawatt) electric generating units, all of which burn sub-bituminous coal. The electricity will be generated for system capacity and energy needs. A portion of the power will be reserved for redevelopment at the former LTVSMC site.

Minnesota Power serves 144,000 customers in northeastern Minnesota and northwestern Wisconsin with low-cost electricity. ALLETE is a diversified company with corporate headquarters in Duluth, Minnesota. Other ALLETE businesses include the second-largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; and significant real estate holdings in Florida.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.