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Cyprus Amax Sold for $1B

Cyprus Amax Minerals Co. is selling its coal subsidiary to RAG International Mining, a German energy and technology firm, for $1.05 billion.

Cyprus Amax Coal has mines in Pennsylvania, the Powder River Basin of Wyoming, Utah, Colorado and Illinois. Cyprus Amax Coal had revenue from properties in the United States of more than $800 million and shipped 68 million tons of coal.

Cyprus' Australian coal assets are not included in the sale.

"We expect to use proceeds from this transaction to reduce debt, fund the existing share buyback program, significantly strengthen our financial position and support growth opportunities in our core mining businesses," said Milton Ward, chairman, president and chief executive officer of Cyprus Amax.

Cyprus Amax is a leading producer of copper and coal, the world's largest producer of molybdenum and holds a 30 percent interest in Kinross Gold Corp.

RAG, based in Essen, Germany, is an international energy and technology company with 104,000 employees worldwide.

The agreement also includes RAG International assuming about $50 million in debt.

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