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FOR IMMEDIATE RELEASE

ASARCO, UNIONS REACH AGREEMENT ON NEW CONTRACT AT RAY MINE

PHOENIX – July 5, 2002 – Asarco, Inc., a subsidiary of Grupo Mexico S.A. de C.V., announced today that it reached a three-year agreement in contract negotiations with the unions representing workers at its Ray mining complex and Hayden concentrator in Arizona. The prior contract expired June 30, but negotiations continued through July 1 until an agreement was reached. The new contract was ratified Wednesday in a vote by the union membership.

Under the terms of the agreement, workers will not receive any increase in wages in the first year. Thereafter, they will receive 50-cent per hour wage increases on July 1, 2003, and July 1, 2004. In addition, the parties agreed to an incentive compensation program that will result in potential bonus payments for employees and significant cost savings for the company if certain production and cost targets are achieved. The parties also agreed to certain modifications in the company's benefit plans, as well as in work rules and practices, which will have a positive impact on the company's productivity and costs. The contract will expire on July 1, 2005.

Asarco's Ray operation, located 64 miles southeast of Phoenix, includes an open-pit copper mine, ore crushing, milling and concentrating operations, a solvent extraction/electrowinning plant, and associated administrative, maintenance and support services. The agreement also covers workers at Asarco's Hayden concentrator, located 18 miles southeast of the Ray facility.

Asarco is a major producer of copper and various precious and specialty metals. It is a subsidiary of Americas Mining Corporation (AMC), Grupo Mexico's mining division. AMC is among the world's largest integrated mining and refining companies and the third-largest producer of copper. It includes Grupo Mexico's interests in Asarco, Inc. (100 percent), Minera Mexico (98.8 percent) and Southern Peru Copper Corp. (54.2 percent).

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