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FOR IMMEDIATE RELEASE

ASARCO AND JUSTICE DEPT REACH AGREEMENT ON TRANSACTION

Southern Peru Copper Corp. sale allows Asarco to pay lenders and bondholders and provide financial assurance for environmental liabilities

PHOENIX – Jan. 30, 2003 – Following several months of sharing detailed information and negotiating terms, Asarco, Inc. and the U.S. Department of Justice have reached final agreement over a plan to transfer the company's interest in Southern Peru Copper Corp. (NYSE: PCU) to the mining division of Asarco's parent company, Grupo Mexico, S.A. de C.V.

The agreement was filed in U.S. District Court in Phoenix, effectively ending a lawsuit brought by the Justice Department last August which temporarily blocked the sale by Asarco. The resolution of this matter clears the way for Asarco's 54.2-percent interest in SPCC to be transferred at fair-market value to Americas Mining Corp., a U.S.-based holding company. The value of the transaction and the terms under which it will occur were validated in an independent analysis conducted by the international accounting firm, Ernst & Young.

Through this transaction, Asarco will receive the funds necessary to pay \$550 million in short-term debt. The transaction is expected to proceed after the presiding judge signs the agreement, and Asarco's parent companies receive the corresponding fresh loans to crystallize it. Asarco has been in close contact with all its financial creditors about this transaction.

“This agreement, once fully executed, would provide a structure under which Asarco can meet near-term financial obligations and proceed with environmental liabilities at a pace we can afford,” said Asarco’s representative. “We are very pleased to have cleared this hurdle and we are ready to move forward on a path that will bring Asarco to a position of financial stability.”

Asarco is a longstanding producer of copper and other metals. It operates as a subsidiary of Americas Mining Corporation (AMC), which is the mining division of Grupo Mexico, S.A. de C.V. AMC is among the world’s largest integrated mining and refining companies and is the world’s third-largest producer of copper.

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