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FOR IMMEDIATE RELEASE

**ASARCO SUBMITS ENVIRONMENTAL PROPOSAL
TO THE DEPARTMENT OF JUSTICE**

PHOENIX – Aug. 30, 2002 – Asarco, Inc. submitted early yesterday to the U.S. Dept. of Justice (DOJ) a comprehensive proposal for environmental remediation at its closed plants and other sites where the company historically operated. The proposal represents a forthright response to the concerns raised by the DOJ in connection with the potential transfer of Asarco's shares in Southern Peru Copper Corp. to its U.S. parent company, Americas Mining Corporation (AMC). Through this transaction, Asarco aims to become strong and economically viable by reducing \$550 million of short-term debt, leaving only \$350 million of long-term debt, with the next maturity of \$100 million due in the year 2013.

For the past year, Asarco has been in active dialogue with the federal government and various states in order to establish a flexible remediation program to responsibly address its environmental obligations, confronted with the reality of extremely low copper prices, the lowest in a century at constant value. As a 103-year old company, Asarco has a long history of meeting its environmental obligations. Copper revenues account for more than 80 percent of Asarco's income. Consequently, the company's ability to fund such remediation is a result of the international copper price, which is established by the world market. Since the early 1970s, Asarco has spent hundreds of millions of dollars on environmental controls and remediation. Asarco has incorporated major technological advances to achieve efficient operations, with its industrial units having state-of-the-art environmental controls.

"The proposal submitted today by Asarco seeks to be comprehensive and feasible for all parties,"

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Asarco's spokesperson stated. "Its objective is to reinvigorate Asarco's present financial condition, maintaining the company as an important regional employer which annually produces approximately 25 percent of the primary copper and 15 percent of total copper consumption in the United States."

Asarco's proposal seeks to foster a cooperative relationship between the company and the government to promote effective management of environmental work. "The proposal provides certainty that the remediation work will get done," Asarco's representative indicated.

Asarco expects the DOJ will give a favorable consideration to the proposal and enter serious discussions with the company to reach a mutually acceptable agreement, allowing a successful remediation program through the financial strengthening of Asarco, particularly during low copper price cycles.

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