

ASARCO NEWS

ASARCO Incorporated
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Asarco Announces Closing Of Black Cloud Mine

LEADVILLE, CO., January 20, 1999 -- ASARCO Incorporated (AR:NYSE) announced that it will close its Black Cloud Mine in Leadville at the end of January due to insufficient ore reserves at the mine. However, exploration for new reserves in the vicinity of the mine will continue.

In November, Asarco announced that as part of a fourth-quarter charge against earnings it was providing for the costs of an eventual suspension of operations at the mine, due to the declining ore reserves. The charge also covered future remediation costs.

Mine Manager S.C. Lloyd said that closure notices were given to mine employees today and that shutdown activities will begin the last week of the month. Approximately 20 employees will be retained for care and maintenance purposes of the mine and continuation of the exploration program.

Lloyd said that all employees will continue to be paid through March 19th. "Although job opportunities elsewhere in Asarco are limited, the Company is committed to making every effort to find jobs for employees affected by the closings. Asarco will establish employment transition centers to assist employees in finding opportunities within and outside Asarco." Assistance will include outplacement training and financial counseling and pursuit of retraining assistance.

"Asarco has been a part of Leadville since its earliest days," Lloyd said, "and the decision by Asarco management to cease operations at the mines was a difficult one. Asarco plans to continue its association with the community and we're hopeful that the continuing exploration will turn up new ore deposits sufficient for us to resume mining here."

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