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NEWS RELEASE

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GRUPO MEXICO ISSUES STATEMENT CONCERNING SIGNIFICANT ORE DISCOVERIES

Mexico City, December 15, 1999 -- Grupo México announced today that it is presently conducting a feasibility study to build a new concentrator plant to process sulfide ore with zinc, copper and silver. The new concentrator would have a capacity to process between 6,000 to 8,000 metric tons per day of ore and would be built to exploit the ore body, known as "Buenavista", located in the mining district of Cananea, Sonora, Mexico. The Buenavista ore body contains over 100 million metric tons of sulfide with 1.6% zinc, 0.6% copper and 20 gr/ton of silver.

In addition, Grupo Mexico also discovered a high-grade copper sulfide ore deposit. Initial diamond drilling reveals ore containing 1.5% copper or higher. The ore body is located in the northern region of the Cananea open pit at a depth of 300 meters with a low-grade copper ore suitable for leaching. This allows a very low strip ratio. Diamond drilling to date indicates that the new ore body consists of thicknesses of up to 360 meters. Drilling has been intensified in the area to quantify the ore reserves and to analyze whether the new ore body will be mined in conjunction with the present Cananea pit or separately.

At La Caridad open pit, located in Nacozari, Sonora, diamond drilling revealed additional sulfide ore containing copper and molybdenum resources between 1,200 to 900 meters above sea level, increasing La Caridad's present mine life to over 25 years. The discovery provides significant economic value to the world class Caridad mining-metallurgical complex that produces copper cathode and rod as well as refined gold and silver.

Finally, Grupo Mexico announced that it concluded the feasibility study on the "El Arco" copper ore deposit located in the state of Baja California Norte, 600 kilometers south of

the U.S. border of California. The El Arco ore body contains over 1 billion metric tons of reserves that consists of sulfide and oxide with an average copper grade of 0.5% and 0.14 gr/ton of gold. Metallurgical testing determined that recoveries of 84% in copper and 50% in gold sulfides are obtainable, and recoveries of 80% in copper oxides. Additional studies and the development of this ore body will be continued once copper prices reach appropriate levels.

Grupo México is a diversified mining company that ranks among the world's largest and lowest cost producers of copper, zinc and silver. The company's mining operations include open pit and underground mines, smelters, refineries and semi-manufacturing plants. Grupo Mexico also operates Mexico's largest railroad since February of 1998. The Mexican railroad system in 1998 transported about 14% of the total cargo in the country compared with 45% of the total freight transported in the United States. In the next years, we expect to reach freight levels similar to the United States through increased efficiency, productivity and investment in new infrastructure throughout the country; all of which will allow the company to offer a more reliable and competitive service.

NOTE: Statements in this press release include "forward-looking statements" that express expectations of future events or results. All statements based on future expectations rather than on historical facts are forward-looking statements that involve a number of risks and uncertainties, and the company cannot give assurance that such statements will prove to be correct.

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