FILE NAME: Asarco (ASAR)

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ASARCO INCORPORATED

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1981	1980	Interest Dates	Call Price	Price Range 1981	1980
1. S.f. debenture 9¾s, 2000	A3	$71,300,000	2.77	14.92	M&N 1	[1]105.85	71⅜ - 60	82 - 67
2. 8.80% notes due 1983	A3	38,300,000			M&N 1	[3]100	93 - 86¾	97¾ - 83
3. Amer. Smelt. & Rfg. sub. deb. 4⅝s, 1988	Baa 1	8,200,000			A&O 15	[1]100½	61 - 50	68½ - 56½
4. Other debt	....	270,300,000			.....	.....	.....	.....

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[2]Earned per Sh. 1981	1980	Divs. Per Sh. 1981	1980	Call Price	Price Range 1981	1980
1. $7 cumul. redeem. pfd. ser. A	No par	1,550,000 shs.	[5]....	[5]....	[5]....	[5]....	Text	[6].....	[6].....
2. $6.25 cumul. redeem. conv. pfd. ser. B	No par	1,250,000 shs.			[5]....	[5]....	Text	[6].....	[6].....
3. Common	No par	[2]26,025,146 shs.	$1.54	[4]$8.02	$1.40	$1.85	.....	48½ - 24¾	58½ - 25½

[1]Subject to change; see text. [2]Based on aver. shs. as reported by Co. [3]Beginning May 1, 1981. [4]Bef. cum. eff. of acctg. chge., $1.31. [5]Privately held.

HISTORY

Incorporated in New Jersey on April 4, 1899, as American Smelting and Refining Co., a consolidation of a number of mines, smelters and refineries; present title adopted Apr. 22, 1975. More important acquisitions follow:

In 1903, acquired controlling stock interest in Federal Mining & Smelting Co. (merged in April 1953).

In 1927, sold rod and sheet mill at Baltimore to General Cable Corp. for securities of latter. In 1928 acquired control of Michigan Copper & Brass Co. which subsequently was merged into Republic Brass Corp. (now Revere Copper & Brass. Inc.).

In 1932, acquired business and certain assets of Federated Metals Corp., which became a division in 1936.

In Dec., 1951, through a new subsidiary, Federated Metals Canada Ltd., acquired a majority interest in non ferrous metals business of Frankel Corp., Ltd. of Toronto, Ont. (now wholly owned).

In May, 1957, acquired Enthone, Inc., which manufactures metal finishing specialties and equipment at New Haven, Conn.

As of July 1, 1965, a 51% interest in Mexican operating subsidiary was sold to a group of Mexican industrialists. Transaction accomplished revision in ownership of the Mexican Co. required by the Mining Law of 1961. Under 1961 law, a co. that is 51% owned by Mexican nationals is allowed a 50% reduction in production and export taxes on metals mined in Mexico.

Asarco's associated company in Mexico is now known as Mexico Desarrollo Industrial Minero, S.A. a holding company that owns the stock of Industrial Minera Mexico, S.A. IMM was restructured at the end of 1978 to comply with new requirements of Mexican law and policy. The Mexican stockholders of IMM formed a new holding company which, in turn, formed with Asarco a subholding company, Mexico Desarrollo Industrial Minero, S.A., in which Asarco has a 34% interest.

In Nov. 1970, purchased four Illinois surface coal mines from Peabody Coal Co.; properties are being operated as Midland Coal Co. Division.

In Nov. 1971 acquired zinc oxide plants in Columbus, O. and Hillsboro, Ill. of American Zinc Co. (see alphabetical index). Purchase also included mines, plants, mineral properties, real estate interest in Tenn. and American Limestone Division. Also included mining properties and mill of New Market Zinc Co., joint venture owned by American Zinc and Gold Fields American Corp.

In Oct. 1974 company became sole owner of Cement Asbestos Products Co., manufacturer of asbestos cement pipe and plastic pipe, by acquiring remaining 51% stock interest.

Antitrust Consent Decree: In March, 1967, the Justice Department signed a consent decree which was terminated in March 1972 (see below). The decree was designed to settle Govt.'s 1961 antitrust suit against Co., General Cable Corp. and Revere Copper & Brass, Inc.

Original settlement provided that Co. shall not have common officers with either General or Revere, and forbade Co. from casting stockholder votes at meetings of either General or Revere. Instead, Co. was required to give proxies to the General Cable and Revere boards to be used as they wish.

In addition, the judgment restrained Co. from selling refined copper to General and Revere at prices more favorable than prices quoted to competitors of General and Revere. Also, sharp limitations were placed on Co.'s acquisition of any additional General or Revere stock. Moreover, so long as Co. held any stock in General or Revere, it was forbidden to acquire stock in any other producer or seller of fabricated copper products.

On July 15, 1970 Co., sold 2,028,000 shares of General Cable Corp. stock to British Insulated Callender's Cables Ltd. for $24 a share. Thereafter balance of its holdings was disposed of pursuant to an offer to stockholders to exchange 1.35 shares of General Cable stock plus $8.50 cash for each Co. com. share. Offer was oversubscribed resulting in allocation of tenders on a pro-rata basis. Co.'s disposition of General Cable stock was in accordance with terms of the decree.

In March, 1972, in accordance with the terms of the decree and an application of the Co., the decree was terminated and the action dismissed without prejudice.

SUBSIDIARIES

Name and place of incorporation	% of voting sec. owned or other bases of control
(c) Alloy Specialties Co. (Pa.)	(100.0)
(b) Alta Mining and Development Co. (Utah)	(62.4)
(c) American Limestone Co. (Tenn.)	(100.0)
(c) American Smelting and Refining Co. (N.J.)	(100.0)
(a) Asarco Developments (NZ) Ltd. (New Zealand)	(100.0)
(a) Asarco Exploration Co. of Canada, Ltd. (Canada)	(100.0)
(c) Asarco Exploration Co., Inc. (N.Y.)	(100.0)
(a) Asarco International Corp. (Del.)	(100.0)
(a) Asarco Mercantile Co. (Tex.)	(100.0)
(a) Asarco Oil and Gas Co., Inc. (N.Y.)	(100.0)
(a) Asarco (Australia) Pty. Ltd. (Australia)	(100.0)
(a) ASARCO Santa Cruz, Inc. (Del.)	(100.0)
(c) Covington Land Co. (Del.)	(100.0)
(b) Blackhawk Mining and Developing Co., Ltd. (Ida.)	(99.7)
(a) Bolivian Lead Corp., S.A. (N.Y.)	(100.0)
(b)(d) Compania Minera Quioma S.A. (Bolivia)	(58.0)
(a) Capco Pipe Company, Inc. (Ala.)	(100.0)
(c) Cement Asbestos Products Co. (Ala.)	(100.0)
(a) Compania Minera Asarco, S.A. (Chile)	(100.0)
(a) Enthone, Incorp. (N.Y.)	(100.0)
(a) Ionic International Inc. (Mich.)	(100.0)
(b)(d) Micro Image Incorp. (N.Y.)	(60.0)
(b) Fairview Mining Co., Ltd. (Canada)	(78.0)
(a) Federal Mining and Smelting Co. (Ida.)	(100.0)
(a) Federated Metals Canada Ltd. (Canada)	(100.0)
(b)(d) Federated Genco Ltd. (Canada)	(60.0)
(a) Federated Metals Corp. (N.Y.)	(100.0)
(a) Lone Star Lead Construction Corp. (N.Y.)	(100.0)
(a) Geominerals, Inc. (N.Y.)	(70.0)
(a) Geominerals Insurance Co., Ltd. (Bermuda)	(100.0)
(b) Government Gulch Mining Co., Ltd. (Ida.)	(79.7)
(b) Green Hill Cleveland Mining Co. (Nevada)	(51.9)
(c) Knoxville Sand and Gravel Co. (Me.)	(100.0)
(a) Lac d'Amiante du Quebec, Ltee (Del.)	(100.0)
(a) Lake Asbestos of Quebec, Ltd. (Del.)	(100.0)
(b) Liard River Mining Co. Ltd. (N.P.L.) (Canada)	(43.6)
(d) Mexico Desarrollo Industrial Minero, S.A. (Mexico)	(34.0)
(c) Midland Coal Company Incorp. (N.Y.)	(100.0)
(d) M.I.M. Holdings Ltd. (Australia)	(48.9)
(a) Mines Trading Co. Ltd. (England)	(100.0)
(a) Mining Development Co. (Del.)	(100.0)
(a) Mission Exploration Co. (Del.)	(100.0)
(a) Lesarco, Inc. (Philippines)	(30.0)
(b)(d) Neptune Mining Co. (Del.)	(52.2)
(a) Northern Peru Mining Corp. (Del.)	(100.0)
(a) Corporacion Minera Nor Peru, S.A. (Peru)	(80.0)
(d) Revere Copper and Brass Incorp. (Md.)	(33.1)
(d) Conalco Revere Realty Co. (Ohio Partnership)	(34.0)
(d) Ormet Corp. (Del.)	(34.0)
(b)(d) Southern Peru Copper Corp. (Del.)	(52.3)
(b)(d) Fomenta, S.A. (Peru)	(100.0)
(b)(d) Southern Peru Copper Sales Corp. (Del.)	(51.5)
(a) Sun Solector Corp. (N.Y.)	(100.0)
(a) The International Metal Co. (N.Y.)	(100.0)
(a) Watauga Stone Co. (Tenn.)	(100.0)
(b) Wyoming Mining and Milling Co., Ltd. (Ida.)	(95.7)

(a) Included in financial statements of Co. and consolidated subsidiaries at Dec. 31, 1981.

(b) Excluded from financial statements of Co. and consolidated subsidiaries, except to the extent indicated in Note (d). These companies, other than Southern Peru Copper Corporation, are not in the aggregate considered significant.

(c) Inactive, having no assets or liabilities.

(d) Carried on the equity method.

Joint Ventures: In Aug. 1976 Co. and Anamax Mining Co. (owned jointly by Anaconda Co. and Amax Inc.) formed a general partnership known as Eisenhower Mining Co. to develop, mine and concentrate ore from Palo Verde Copper deposit located between Co.'s Mission and South San Xavier open-pit operations.

In Mar., 1981 Co. entered into an agreement with AZL Minerals (subsidiary of AZL Resources Inc.) for the exploration for gold on a portion of the Baca Grant Ranch near Crestone, Colo. AZL Minerals owns a 50% interest in the mineral acreage at the ranch. The agreement requires a work commitment expenditure by Co. for exploration of the property over a 5-year period and provides for AZL to have an initial 20% working interest in any mining project that may be developed. Alternatively, AZL may receive a 2.75% royalty interest on minerals produced from the property if it elects not to fund its working interest and its working interest is reduced below a specified level. The owner of the other 50% of the mineral interest is also a party to the agreement. The property to be explored is in an area near the now-abandoned independence gold mine, which was the site of mining activity in the late 1800's and early 1900's.

BUSINESS & PROPERTIES

ASARCO Inc. is one of the world's leading producers of nonferrous metals, principally silver, copper, lead and zinc. It operates mines in the United States, Canada, Peru and Bolivia. Its associated companies, M.I.M. Holdings Limited, Southern Peru Copper Corporation and Mexico Desarrollo Industrial Minero, S.A., operate mines in Australia, Peru and Mexico, respectively. Asarco and its associated companies together in 1981 accounted for 13% of Free World mine production of silver, 8% of copper, 9% of lead and 8% of zinc.

In addition to mining and treating ore from its own mines, Asarco is a custom smelter and refiner of nonferrous metal ores mined by others. Ores and concentrates purchased from others or processed for them on toll account for about 85% of the silver, 70% of the copper, 95% of the lead, and 40% of the zinc produced by Asarco's primary plants.

Asarco's wholly owned subsidiary, Federated Metals Corporation, recycles scrap materials containing copper, lead, zinc, aluminum and magnesium. Other subsidiaries produce specialty chemicals and solar energy systems. Also, Asarco has a significant interest in Revere Copper and Brass Incorporated, a fabricator of copper, brass and aluminum and a producer of primary aluminum.

Asarco also produces nonmetallic minerals, such as asbestos, coal and limestone from mines in the United States and Canada. A subsidiary manufactures asbestos-cement and PVC pipe at three plants in the U.S.

FACILITIES & PRODUCTS

Mines (Name and Location)

Silver
Coeur; Wallace, Ida.
Galena; Wallace, Ida.
Troy; Troy, Mont.
Quiruvilca (Corporacion Minera Nor Peru S.A.) (Also Copper, Lead and Zinc); Peru
Copper
Eisenhower; Sahuarita, Ariz.
Mission; Sahuarita, Ariz.
Sacaton; Casa Grande, Ariz.
San Xavier; Sahuarita, Ariz.
Silver Bell; Silver Bell, Ariz.
Lead and Zinc
Leadville; Leadville, Colo.
[1]West Fork; Reynolds County, Mo.
Buchans; Buchans, Newfoundland, Canada
Little River Joint Venture; New Brunswick, Canada
Quioma (Compania Minera Quioma S.A.); Bolivia
Zinc
Coy; Jefferson County, Tenn.
Immel; Knox County, Tenn.
New Market; Jefferson County, Tenn.
Young; Jefferson County, Tenn.
Asbestos (Lac d'Amiante du Quebec, Ltee.)
Black Lake; Black Lake, Quebec, Canada
National; Thetford Mines, Quebec, Canada
Coal (Midland Coal Company) Elm; Trivoli, Ill.
Rapatee; Middlegrove, Ill.
Ilmenite
Manchester; Lakehurst, N.J.

Limestone, Sand, Crushed Stone, Concrete
(American Limestone Company), Knoxville, Tenn.

Smelters and Refineries
Copper
Amarillo, Tex. (Refinery)
El Paso, Tex. (Smelter)
Hayden, Ariz. (Smelter)
Tacoma, Wash. (Smelter)
Silver
Amarillo, Tex. (Refinery)
Lead
East Helena, Mont. (Smelter)
El Paso, Tex. (Smelter)
Glover, Mo. (Smelter, Refinery)
Omaha, Neb. (Refinery)