

**IN THE UNITED STATES BANKRUPTCY COURT
OF THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No. 05-21207
	§	
ASARCO LLC,	§	Chapter 11
	§	
Debtor.	§	Jointly Administered
	§	

**PLAN OF REORGANIZATION OF CO-PROONENTS ASARCO LLC,
ASARCO INCORPORATED AND AMERICAS MINING CORPORATION
FOR ASARCO LLC UNDER CHAPTER 11 OF BANKRUPTCY CODE**

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SECTION 524(g) CHANNELING INJUNCTION

Pursuant to section 105 and section 524(g) of the Bankruptcy Code, as applicable, this plan of reorganization provides, in certain circumstances, for the issuance of a channeling injunction regarding asbestos claims asserted against ASARCO LLC. See Sections 5.7, 7.8 and 12.4.

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Co-Proponents ASARCO LLC (“Debtor”) and ASARCO Incorporated and Americas Mining Corporation, the parent companies of the Debtor (collectively, the “Plan Sponsor”), propose this Plan of Reorganization pursuant to the provisions of chapter 11 of the Bankruptcy Code.

ARTICLE I DEFINITIONS

Unless the context otherwise requires, the following terms, when used in the Reorganization Plan, shall have the meanings set forth below:

1.1 “**Administrative Bar Date**” means the last date on which a request for payment of an Administrative Expense Claim may be filed, as set forth in section 3.3 of the Reorganization Plan.

1.2 “**Administrative Expense Claim**” means any right to payment constituting a cost or expense of administration of the Reorganization Case under sections 503(b), 507(a)(1) and 1114(e)(2) of the Bankruptcy Code, including (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the Debtor’s business; (b) Claims that have been determined by a Final Order to constitute an administrative expense of the Estate; (c) compensation Claims by Professionals; and (d) any fees or charges assessed against and payable by the Debtor under section 1930 of title 28 of the United States Code.

1.3 “**Allowed**” means with reference to any Claim: any Claim (a) a proof of which was Filed within the applicable period of limitation fixed by the Court in accordance with Bankruptcy Rule 3003(c)(3) and as to which neither the Debtor nor another party in interest has Filed an objection on or before the expiration of the time period set forth for the objection to such claim in the Reorganization Plan, the Bankruptcy Code, the Bankruptcy Rules, or a Final Order, or as to which, and to the extent, any objection has been determined by a Final Order in favor of the relevant Claim holder; (b) listed on the Schedules as other than disputed, contingent or unliquidated; (c) that has been allowed by a Final Order of the Court; and (d) expressly allowed under or pursuant to the terms of the Reorganization Plan.

1.4 “**Alternative Asbestos Treatment**” has the meaning set forth in section 5.7 hereof.

1.5 “**AMC Guaranty**” means that certain unsecured guaranty of Americas Mining Corporation, to be delivered on the Effective Date, in the form included in the Plan Supplement, to provide recourse to the Holders of Bond Claims and Reinstated Environmental Claims in the event the Reorganized Debtor is unable to satisfy its reinstated obligations to such Holders, to the extent required pursuant to section 7.11.

1.6 “**Asbestos Agreement**” means that certain asbestos agreement attached as Exhibit A to docket item number 2395 in the Reorganization Case, as approved by docket item number 4215 in the Reorganization Case.

1.7 “**Asbestos Claim**” means each Claim on account of personal injuries or other damages caused by the presence of, or exposure to, asbestos or asbestos containing products.

1.8 “**Bankruptcy Code**” means title 11 of the United States Code, as amended and in effect on the Confirmation Date.

1.9 “**Bankruptcy Rules**” means (a) the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code and (b) the local rules of the Court, in each case, as in effect on the Confirmation Date.

1.10 “**Benefit Plans**” means all employee benefit plans, policies, and programs listed in the attached Schedule 4, for which the Debtor has any liability by contract or law or which are maintained by the Debtor for the benefit of employees of the Debtor.

1.11 “**Bond Claims**” means all Claims based on or arising out of the Debtor’s obligations under the Bonds.

1.12 “**Bonds**” means, collectively, the (i) Nueces River Authority Environmental Revenue Refunding Bonds (ASARCO Incorporated Project) Series 1998 in the aggregate principal amount of \$27.74 million (5.60% due January 2027); (ii) ASARCO Incorporated 7 7/8% Debentures due 2013 in the aggregate principal amount of \$100 million; (iii) Nueces River Authority Environmental Revenue Refunding Bonds (ASARCO Incorporated Project) Series 1998A in the aggregate principal amount of \$22.2 million (5.60% due April 2018); (iv) Lewis and Clark County, Montana Environmental Revenue Refunding Bonds (ASARCO Incorporated Project) Series 1998 in the aggregate principal amount of \$33.16 million (5.60% due January 2027); (v) Industrial Development Authority of the County of Gila, Arizona Environmental Revenue Refunding Bonds (ASARCO Incorporated Project) Series 1998 in the aggregate principal amount of \$71.9 million (5.55% due January 2027); (vi) ASARCO Incorporated 8 1/2% Debentures due 2025 in the aggregate principal amount of \$150 million; and (vii) Lewis and Clark County, Montana Environmental Revenue Refunding Bonds (ASARCO Incorporated Project) Series 1998 in the aggregate principal amount of \$34.8 million (5.85% due October 2033).

1.13 “**Business Day**” means any day other than (a) a Saturday; (b) a Sunday; (c) any other day on which banking institutions in Corpus Christi, Texas, are required or authorized to close by law or executive order; and (d) the Friday after Thanksgiving.

1.14 “**Cash**” means legal tender of the United States of America.

1.15 “**Causes of Action**” means any and all actions, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims, and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Reorganization Case, including through the Effective Date.

1.16 “**Claim**” means any claim against the Debtor, whether or not asserted, as the term “claim” is defined in section 101(5) of the Bankruptcy Code, including all Administrative Expense Claims.

1.17 “**Class**” means each of the groups of holders of Claims or Equity Interests described in section V.

1.18 “**Collateral**” means any property or interest in property of the Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or other applicable law.

1.19 “**Confirmation Date**” means the date on which the Confirmation Order is entered on the docket of the Court.

1.20 “**Confirmation Hearing**” means the hearing held by the Court to consider the confirmation of the Reorganization Plan, as it may be adjourned or continued from time to time.

1.21 “**Confirmation Order**” means the order of the Court confirming the Reorganization Plan under section 1129 of the Bankruptcy Code.

1.22 “**Contingent Asbestos Claims**” means all Asbestos Claims other than Settled Unfunded Asbestos Claims that are (a) asserted directly against the Debtor, (b) asserted against a Debtor Subsidiary and the Debtor on account of alter ego, veil piercing or any similar legal theory, or (c) based on a pre-Petition Date settlement conditioned on the effectiveness of a prepackaged plan of reorganization for the Debtor incorporating a section 524(g) injunction.

1.23 “**Contingent Asbestos Claims Resolution Protocol**” means that protocol, in the form contained in the Plan Supplement, regarding the resolution of Contingent Asbestos Claims pursuant to section 5.7(ii) and section 7.8 hereunder, which protocol shall be in form and substance satisfactory to the Subsidiary Committee.

1.24 “**Contingent Asbestos Claims Trust**” means a trust, established and funded by the Plan Sponsor on the Effective Date, for the satisfaction of reinstated Contingent Asbestos Claims, if any, as more fully described in sections 5.7(ii) and 7.8 of this Reorganization Plan, in the form attached to the Disclosure Statement.

1.25 “**Contingent Asbestos Demands**” means all “demands”, as that term is defined in section 524(g)(5) of the Bankruptcy Code, that are (a) asserted directly against the Debtor, or (b) asserted against a Debtor Subsidiary and the Debtor on account of alter ego, veil piercing or any similar legal theory.

1.26 “**Court**” means the United States Bankruptcy Court for the Southern District of Texas (Corpus Christi Division) or any other court having jurisdiction over the Reorganization Case.

1.27 “**Creditors’ Committee**” means the official committee of unsecured creditors appointed by the United States Trustee in the Reorganization Case on August 25, 2005 to

represent unsecured creditors of the Debtor, as that committee's membership may be reconstituted from time to time.

1.28 **"Debtor"** means ASARCO LLC.

1.29 **"Debtor Subsidiaries"** means, collectively, Encycle, Inc.; ASARCO Consulting, Inc.; Lac d'Amiante du Quebec, Ltée.; Capco Pipe Company, Inc.; Cement Asbestos Products Company; Lake Asbestos of Quebec, Ltd.; LAQ Canada, Ltd.; ASARCO Master, Inc.; Bridgeview Management Company, Inc.; ASARCO Oil and Gas Company, Inc.; Government Gulch Mining Company, Limited ALC, Inc.; AR Sacaton, LLC; AR Sacaton, LLC (Delaware); Salero Ranch, Unit III, Community Association, Inc.; Covington Land Company; AR Mexican Explorations, Inc.; American Smelting and Refining Company; Southern Peru Holdings, LLC; and ASARCO Exploration Company, Inc.

1.30 **"DIP Facility"** means (a) that certain \$5 Million Letter of Credit Facility, dated as of March 20, 2008, by and among the Debtor and the DIP Lender; (b) all ancillary documents contemplated thereby; and (c) all amendments and supplements to, or modifications of, any of the foregoing, all as approved by the Court pursuant to the DIP Financing Order.

1.31 **"DIP Facility Claim"** means each Claim arising under or as a result of the DIP Facility and/or the DIP Financing Order.

1.32 **"DIP Financing Order"** means that certain Order Authorizing the Debtor To Enter Into a \$5 Million Letter of Credit Facility With JPMorgan Chase Bank, N.A. and Related Relief, entered by the Court on April 25, 2008.

1.33 **"DIP Lender"** means JPMorgan Chase Bank, N.A.

1.34 **"Disclosure Statement"** means the Disclosure Statement Pursuant to section 1125 of the Bankruptcy Code with respect to the Reorganization Plan, including the exhibits, appendices, and schedules thereto, as the same may be amended, modified, or supplemented from time to time and as approved by the Court pursuant to the Disclosure Statement Approval Order.

1.35 **"Disclosure Statement Approval Order"** means the order of the Court, dated _____, 2008, approving the Disclosure Statement.

1.36 **"Disputed Claim"** means a Claim or any portion thereof, (a) listed on the Schedules as unliquidated, disputed or contingent; (b) as to which the Debtor or any other party in interest has Filed a timely objection or a request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order; or (c) is otherwise disputed by the Debtor or any other party in interest in accordance with applicable law, which dispute has not been withdrawn or determined by a Final Order.

1.37 **"Disputed Reserve"** means a reserve of Cash for the relevant Class, established for, among other things, the payment or other satisfaction of Disputed Claims that are Allowed after the Effective Date, which shall be held in trust by the Reorganized Debtor.

1.38 “**Distributions**” means the distributions of Cash to be made in accordance with the Reorganization Plan.

1.39 “**Effective Date**” means a date, as determined by the Plan Sponsor, that is a Business Day on which (a) all conditions precedent set forth in section 11.2 have been satisfied or waived as provided in section 11.3, and (b) no stay of the Confirmation Order is in effect.

1.40 “**Entity**” means an entity as defined in section 101(15) of the Bankruptcy Code.

1.41 “**Environmental Claim**” means any Claim against the Debtor arising out of or based upon any (a) statute, law, rule or regulation issued or promulgated by any governmental unit or court, as each of them may be amended from time to time, relating to the protection and/or prevention of harm, contamination or pollution of or to the environment, water, soil, air, land or buildings and (b) the ordinances, orders, notices of violation, requests, demands or requirements issued or promulgated by any governmental unit in connection with the foregoing.

1.42 “**Environmental Liquidation Trust**” means a trust, established and funded by the Plan Sponsor on the Effective Date, for the purpose of cleaning up all Owned Non-Strategic Properties to regulatory closure, as more fully described in section 7.7 of this Reorganization Plan and in the form attached to the Disclosure Statement.

1.43 “**Equity Interests**” means (a) any ownership interest in the Debtor; (b) any option, warrant, or right to purchase, sell, or subscribe for an ownership interest in the Debtor; and (c) any and all redemption, conversion, exchange, voting, participation, or dividend rights or liquidation preferences relating to any of the foregoing.

1.44 “**Estate**” means the estate of the Debtor in the Reorganization Case created by section 541 of the Bankruptcy Code upon the commencement of the Reorganization Case.

1.45 “**Examiner**” means Michael D. Warner, the examiner appointed by the United States Trustee and approved by order of the Court entered April 16, 2008 (Docket No. 7430), or any successor appointed by the Court.

1.46 “**Excluded Assets**” means all assets designated as such by the Plan Sponsor in the Plan Supplement.

1.47 “**FCR**” means the future claims representative appointed in the Debtor Subsidiaries’ chapter 11 cases to represent Contingent Asbestos Demands.

1.48 “**File**” or “**Filed**” means, with respect to any pleading, entered on the docket of the Reorganization Case and properly served in accordance with the Bankruptcy Rules.

1.49 “**Final Order**” means an order or judgment of the Court as to which the time to appeal, petition for certiorari, seek mandamus, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing is pending; or, if an appeal, writ of certiorari, or petition for mandamus, reargument, or rehearing has been Filed or sought with respect to any order or judgments of the Court, that order or judgment has been affirmed by the highest court to which it was appealed, or certiorari has

been denied or mandamus, reargument, or rehearing has been denied or resulted in no modification thereof, and the time to take any further appeal, petition for certiorari, or move for mandamus, reargument, or rehearing shall have expired; *provided, however*, that the possibility that a motion under rule 60 of the Federal Rules of Civil Procedure (or any analogous motion under the Bankruptcy Rules) may be Filed with respect to an order or judgment shall not cause such order or judgment not to be a Final Order.

1.50 “**General Unsecured Claim**” means any Claim against the Debtor that is not an Administrative Expense Claim, a Priority Tax Claim, a DIP Facility Claim, a Priority Non-Tax Claim, a Secured Claim, a Bond Claim, an Environmental Claim, a Toxic Tort Claim, an Insured Claim or an Asbestos Claim.

1.51 “**Holder**” means an Entity holding a Claim or Equity Interest.

1.52 “**Impaired**” means, when used with reference to a Claim or Interest (or Class of Claims or Interests), a Claim or Interest (or Class of Claims or Interests) that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.53 “**Initial Distribution Date**” means the date on which the Reorganized Debtor shall make its initial Distribution, which date shall occur as soon after the Effective Date as practicable.

1.54 “**Insured Claims**” means all Claims covered by insurance that are not Asbestos Claims or Environmental Claims.

1.55 “**Lien**” has the meaning ascribed to that term in section 101(37) of the Bankruptcy Code, except that a lien that has been or may be avoided shall not constitute a Lien for the purposes of the Reorganization Plan.

1.56 “**Liquidated Environmental Claim**” means any Environmental Claim with respect to an Owned Non-Strategic Property.

1.57 “**Owned Non-Strategic Properties**” means the owned sites identified in the attached Schedule 2.

1.58 “**Owned Strategic Properties**” means the owned sites identified in the attached Schedule 3.

1.59 “**Other Environmental Claim**” means any Environmental Claim other than a Reinstated Environmental Claim.

1.60 “**Petition Date**” means August 9, 2005, the date on which the Debtor Filed its chapter 11 petition and commenced the Reorganization Case.

1.61 “**Plan Sponsor**” means, collectively, ASARCO Incorporated and Americas Mining Corporation.

1.62 **“Plan Supplement”** means the collection of substantially final form of documents specified in section 14.5, which are incorporated herein by reference and constitute part of the Reorganization Plan. The Plan Supplement shall be Filed with the Court no later than ten days prior to the Confirmation Hearing.

1.63 **“Primary Asbestos Treatment”** has the meaning set forth in section 5.7 hereof.

1.64 **“Priority Non-Tax Claim”** means any Claim of a kind specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

1.65 **“Priority Tax Claim”** means any Claim of a governmental unit of the kind specified in sections 502(i) or 507(a)(8) of the Bankruptcy Code.

1.66 **“Professional”** means any person or Entity employed pursuant to a Final Order in accordance with sections 327, 328, or 1103 of the Bankruptcy Code, and to be compensated for services rendered prior to and including the Confirmation Date pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

1.67 **“Quarterly Distribution Date”** means the first Business Day after the end of each quarterly calendar period (*i.e.*, December 31, March 31, June 30, and September 30 of each calendar year).

1.68 **“Record Date”** means the record date for determining the entitlement to receive Distributions under the Reorganization Plan on account of Allowed Claims, which shall be the date the Disclosure Statement Approval Order is entered.

1.69 **“Reinstated Environmental Claim”** means any Environmental Claim with respect to an Owned Strategic Property or Owned Non-Strategic Property.

1.70 **“Released Parties” or “Released Party”** has the meaning ascribed thereto in section 12.1.

1.71 **“Reorganized Debtor”** means the Debtor, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

1.72 **“Reorganization Case”** means the case commenced by the Debtor under chapter 11 of the Bankruptcy Code before the Court, as referenced by case number 05-21207, which was procedurally consolidated with the chapter 11 cases of the Debtor Subsidiaries.

1.73 **“Reorganization Plan”** means this Plan of Reorganization of Co-Proponents ASARCO LLC, ASARCO Incorporated and Americas Mining Corporation for ASARCO LLC Under Chapter 11 of the Bankruptcy Code (including the Plan Supplement and all schedules and exhibits hereto or thereto), as the same may be amended, modified, or supplemented from time to time in accordance with its terms.

1.74 **“Schedules”** means the schedules of assets and liabilities and the statements of financial affairs Filed by the Debtor on November 10-11, 2005 pursuant to section 521 of the

Bankruptcy Code, as such schedules and statements have been or may be supplemented or amended from time to time.

1.75 “**Section 524(g) Asbestos Distribution Protocol**” means the protocol, in the form attached to the Disclosure Statement, regarding the resolution of Contingent Asbestos Claims and Contingent Asbestos Demands, pursuant to section 5.7(i) and section 7.8 hereunder, which protocol shall be in form and substance acceptable to the Subsidiary Committee and the FCR.

1.76 “**Section 524(g) Channeling Injunction**” means an order or orders of the Court, affirmed by the District Court, in accordance with, and pursuant to, section 524(g) of the Bankruptcy Code, permanently and forever staying, restraining, and enjoining any Entity from taking any actions against the Debtor, the Reorganized Debtor, or the Released Parties for the purpose of, directly or indirectly, collecting, recovering or receiving payment of, on or with respect to any present or future Contingent Asbestos Claim or Contingent Asbestos Demand, all of which claims shall be channeled to the Section 524(g) Trust for resolution as set forth in the Section 524(g) Trust and Section 524(g) Asbestos Distribution Protocol, as more fully described in sections 5.7(i) and 7.8 of this Reorganization Plan and in the documents attached to the Disclosure Statement.

1.77 “**Section 524(g) Trust**” means a trust established in accordance with section 524(g) of the Bankruptcy Code, as more fully described in sections 5.7(i) and 7.8 of this Reorganization Plan and in the form attached to the Disclosure Statement.

1.78 “**Secured Claim**” means a Claim that is secured by a Lien on the property in which the Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to a setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or to the extent of the amount subject to the setoff, except for the DIP Claims.

1.79 “**Settled Unfunded Asbestos Claim**” means each liquidated, undisputed, and non-contingent Asbestos Claim against the Debtor existing as of the Petition Date, as identified on Schedule 6. For the avoidance of doubt, the Settled Unfunded Asbestos Claims do not include any Claims arising from settlements entered into by the Debtor prepetition that were expressly conditioned on the effectiveness of a prepackaged plan of reorganization for the Debtor incorporating a section 524(g) injunction.

1.80 “**Subsidiary Committee**” means the Official Committee of Unsecured Creditors of the Debtor Subsidiaries.

1.81 “**Toxic Tort Claim**” means a Claim related to toxic tort, personal injury, environmental property damage and related breach-of-settlement claims resulting from alleged exposure to lead or toxic substances at ASARCO LLC’s sites in Hayden, Arizona, Tar Creek, Oklahoma, and El Paso, Texas, as identified on Schedule 7.

1.82 “**Unimpaired**” means a Claim or an Equity Interest that is not Impaired.

1.83 “**Unions**” means the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, acting on behalf of itself and the other labor organizations representing the Debtor’s bargaining unit employees.

1.84 “**United States Trustee**” means the United States Trustee appointed under section 591 of title 28 of the United States Code to serve in the Southern District of Texas.

ARTICLE II
INTERPRETATION: APPLICATION OF DEFINITIONS,
RULES OF CONSTRUCTION, AND COMPUTATION OF TIME

Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter. Any reference in the Reorganization Plan: (a) to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the document shall be substantially in that form or substantially on those terms and conditions; (b) to an existing document or exhibit Filed or to be Filed means the document or exhibit as it may have been or may be amended, modified, or supplemented; and (c) to Sections, Schedules, and Exhibits, unless otherwise specified, are references to sections, schedules, and exhibits of or to the Reorganization Plan. Unless otherwise specified, the words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar meaning refer to the Reorganization Plan as a whole and not to any particular section, subsection, or clause contained in the Reorganization Plan. A capitalized term used but not defined herein shall have the meaning given to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Reorganization Plan.

The headings in the Reorganization Plan are for convenience of reference only and shall not expand, limit, or otherwise affect the provisions of the Reorganization Plan. Unless otherwise indicated herein, all references to dollars are to United States dollars.

Unless otherwise expressly provided herein, in computing any period of time prescribed or allowed by the Reorganization Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If any payment or act under the Reorganization Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

Notwithstanding anything herein to the contrary, any Claim against the Debtor asserted by an insider, as that term is defined in section 101(31) of the Bankruptcy Code, other than those Claims identified on Schedule 5 hereto, shall be deemed disallowed in their entirety upon entry of the Confirmation Order.

**ARTICLE III
UNCLASSIFIED CLAIMS**

3.1 Administrative Expense Claims.

Each Allowed Administrative Expense Claim (other than the Administrative Expense Claims of Professionals, which are dealt with in section 3.2) shall be paid by the Reorganized Debtor in Cash, in full, on the later of the Initial Distribution Date and the date such Claim becomes an Allowed Claim, or in such amounts and on such other terms as may be agreed on between the Holder of such Claim and the Reorganized Debtor or is ordered by the Court; *provided* that Allowed Administered Claims representing obligations incurred in the ordinary course of the Debtor's business will be assumed by the Reorganized Debtor in the Effective Date and paid or performed by the Reorganized Debtor when due in accordance with the terms and conditions of the applicable agreement governing such obligations.

3.2 Administrative Bar Date.

Any request for the payment of an Administrative Expense Claim (other than the Administrative Expense Claims of Professionals, which are dealt with in section 3.3 or Administrative Claims representing obligations incurred in the ordinary course of the Debtor's business, which are dealt with in section 3.1), including, but not limited to, an Administrative Expense Claim for substantial contribution asserted pursuant to section 503(b) of the Bankruptcy Code or otherwise incurred outside the ordinary course of business, shall be discharged and barred forever and shall not be enforceable against the Debtor, the Reorganized Debtor, the Estate, or any of their respective property, unless such request is Filed and served upon the Debtor and the Plan Sponsor no later than five (5) days prior to the Confirmation Date and such Allowed claims shall not exceed \$25 million in the aggregate.

3.3 Professional Compensation.

Professionals or other Entities asserting Administrative Expense Claims pursuant to sections 327, 328, 330, or 331 of the Bankruptcy Code, based on professional services rendered before the Effective Date, must File and serve on the Debtor and the Plan Sponsor, and such other Entities as are designated by the Bankruptcy Code, the Bankruptcy Rules, the Confirmation Order, or any other order of the Court, an application for final allowance of such Claim no later than 45 days after the Confirmation Date. Objections to any application for final allowance of compensation by Professionals must be Filed and served on the Debtor, the Plan Sponsor, and the requesting Entity by the later of (a) 30 days after the Effective Date and (b) 30 days after the Filing of the relevant application.

3.4 DIP Facility Claims.

Each Holder of an Allowed DIP Facility Claim shall receive, on the Initial Distribution Date, in full satisfaction, settlement, release, and discharge of and in exchange for its Claim: (a) Cash in an aggregate amount equal to the Allowed amount of the Claim; or (b) such other Distribution as the Reorganized Debtor and the Holder of such Claim shall have agreed upon; *provided* that the Reorganized Debtor shall have the right to surrender (or, with the consent of the DIP Lender, secure back-to-back arrangements with respect to) all letters of credit

outstanding under the DIP Facility, and such surrender (or arrangement) shall constitute payment in full of the Allowed DIP Facility Claims arising out of or relating to such letters of credit.

3.5 Priority Tax Claims.

On the later of (a) the Effective Date or (b) the date on which its Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Priority Tax Claim shall receive from the Reorganized Debtor, on the Initial Distribution Date, in full satisfaction, settlement, release, and discharge of and in exchange for its Claim, at the sole discretion of the Plan Sponsor: (a) Cash in an aggregate amount equal to the Allowed amount of the Claim, without premium or penalty; (b) treatment in any other manner such that its Allow Priority Tax Claim shall not be impaired pursuant to section 1124 of the Bankruptcy Code, including payment in accordance with the provisions of section 1129(a)(9)(C) of the Bankruptcy Code; or (c) such other Distribution as the Reorganized Debtor and the Holder of such Claim shall have agreed upon.

ARTICLE IV CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including voting, confirmation, and distribution pursuant to the Reorganization Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim shall be deemed to be classified in a particular Class only to the extent that such Claim qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that the remainder of such Claim qualifies within the description of such different Class. A Claim is in a particular Class only to the extent that such Claim is Allowed in that Class and has not been otherwise settled prior to the Effective Date.

The classification of Claims and Equity Interests pursuant to the Reorganization Plan are as follows:

Class	Class Name	Status
Class 1	Priority Non-Tax Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 2	Secured Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 3	Bond Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 4	General Unsecured Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 5	Environmental Claims	

Class	Class Name	Status
Subclass 5-A	Reinstated Environmental Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Subclass 5-B	Liquidated Environmental Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Subclass 5-C	Other Environmental Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 6	Settled Unfunded Asbestos Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 7	Contingent Asbestos Claims	Unimpaired—deemed to have accepted the Reorganization Plan; entitled to vote on Section 524(g) treatment described in section 5.7(i)
Class 8	Toxic Tort Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 9	Insured Claims	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote
Class 10	Equity Interests	Unimpaired—deemed to have accepted the Reorganization Plan and not entitled to vote

The treatment of Claims against, and Equity Interests in, the Debtor is more fully set forth in Section V.

**ARTICLE V
TREATMENT OF CLAIMS AND EQUITY
INTERESTS UNDER THE PLAN**

The following treatment set forth in this Section V shall be accorded to Claims against, and Equity Interests in, the Debtor.

5.1 Class 1: Priority Non-Tax Claims.

Class 1 consists of all Priority Non-Tax Claims. Unless the Plan Sponsor and the Holder of such Claim agree to a different treatment, each Holder of an Allowed Priority Non-Tax Claim shall be paid in full, in Cash by the Reorganized Debtor on the later of (a) the Initial Distribution Date and (b) the Quarterly Distribution Date next following the date on which such Claim is Allowed.

Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.2 Class 2: Secured Claims.

Class 2 consists of all Secured Claims. Unless the Plan Sponsor and the Holder of such Claim agree to a different treatment, each Holder of an Allowed Secured Claim shall receive one of the following alternative treatments, solely at the election of the Reorganized Debtor: (a) each such Claim shall be reinstated and rendered Unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default; (b) each Holder of such Claim shall receive Cash in an amount equal to the value of such Holder's interest in the Collateral securing such Claim, on the later of the Initial Distribution Date and the Quarterly Distribution Date next following the date on which such Claim is Allowed; (c) the Reorganized Debtor shall surrender all Collateral securing such Claim to the Holder thereof; or (d) such Claim shall be treated in any other manner so that such Claim shall be rendered Unimpaired pursuant to section 1124 of the Bankruptcy Code.

Class 2 is Unimpaired, and the Holders of Class 2 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.3 Class 3: Bond Claims.

Class 3 consists of all Bond Claims. Unless the Plan Sponsor and the Holder of such Claim agree to a different treatment, each Holder of an Allowed Bond Claim shall receive, in full and final satisfaction of such Claim, the following treatment: (a) each such Claim shall be reinstated and rendered Unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, and (b) each Holder of such Claim shall receive from the Reorganized Debtor, on the earlier of the Initial Distribution Date and the Quarterly Distribution Date next following the date on which such Claim is Allowed, a Cash payment in the amount of all interest accrued but unpaid on the applicable Bonds through such date. If the Bankruptcy Court determines by Final Order that some or all Bond Claims may not be reinstated as set forth in clause (a) above, then such Bond Claims shall be paid in full in Cash in the amount Allowed.

Class 3 is Unimpaired, and the Holders of Class 3 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 3 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.4 Class 4: General Unsecured Claims.

Class 4 consists of all General Unsecured Claims. Unless the Plan Sponsor and the Holder of such Claim agree to a different treatment, each Holder of an Allowed General Unsecured Claim shall receive from the Reorganized Debtor, in full and final satisfaction of such Claim, on the earlier of the Initial Distribution Date and the Quarterly Distribution Date next following the date on which such Claim is Allowed, Cash in the amount of the principal Allowed amount of such Claim.

Class 4 is Unimpaired, and the Holders of Class 4 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 4 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.5 Class 5: Environmental Claims.

Class 5 consists of all Environmental Claims, broken into three subclasses:

5.5.1 Class 5-A: Reinstated Environmental Claims.

Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, Reinstated Environmental Claims shall be reinstated on the Effective Date and shall be satisfied by the Reorganized Debtor in the ordinary course of business, provided that, if the Reorganized Debtor fails to so satisfy any Reinstated Environmental Claim, the Holder of such Claim shall have recourse to the AMC Guaranty.

Class 5-A is Unimpaired, and the Holders of Class 5-A Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 5-A Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.5.2 Class 5-B: Liquidated Environmental Claims.

Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, Liquidated Environmental Claims shall be reinstated on the Effective Date and channeled to the Environmental Liquidation Trust, which trust will hold the Owned Non-Strategic Properties as described in section 7.7. The Owned Non-Strategic Properties shall be remediated to regulatory closure by the trustee of the Environmental Liquidation Trust. The remediation shall be paid for from the assets in the Environmental Liquidation Trust as specified in section 7.7, but shall also remain the liability of the Reorganized Debtor; provided that, if the Reorganized Debtor fails to so satisfy any Reinstated Environmental Claim, the Holder of such Claim shall have recourse to the AMC Guaranty. .

Class 5-B is Unimpaired, and the Holders of Class 5-B Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 5-B Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.5.3 Class 5-C: Other Environmental Claims.

Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, each Holder of an Allowed Other Environmental Claim shall receive from the Reorganized Debtor, in full and final satisfaction of such Claim, on the earlier of the Initial Distribution Date and the Quarterly Distribution Date next following the date on which such Claim is Allowed, Cash in the amount of the principal Allowed amount of such Claim.

Class 5-C is Unimpaired, and the Holders of Class 5-C Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 5-C Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.6 Class 6: Settled Unfunded Asbestos Claims.

Class 6 consists of all Settled Unfunded Asbestos Claims. Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, each Holder of an Allowed Settled Unfunded Asbestos Claim shall receive from the Reorganized Debtor, in full and final satisfaction of such Claim, on the Effective Date, Cash in the amount of the principal Allowed amount of such Claim.

Class 6 is Unimpaired, and the Holders of Class 6 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 6 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.7 Class 7: Contingent Asbestos Claims and Contingent Asbestos Demands.

Class 7 consists of all Contingent Asbestos Claims. Contingent Asbestos Demands are not classified, but the treatment of the Contingent Asbestos Demands is described in this section.

(i) If this Reorganization Plan is accepted by at least 75% in number of the Holders of Class 7 Claims actually voting and by the FCR, then the Holders of all Contingent Asbestos Claims and all Contingent Asbestos Demands shall become beneficiaries of the Section 524(g) Trust. The Section 524(g) Trust shall assume all liabilities of the Debtor, Reorganized Debtor, and Released Parties for Contingent Asbestos Claims and Contingent Asbestos Demands and all Holders of Contingent Asbestos Claims and Contingent Asbestos Demands shall be subject to the Section 524(g) Channeling Injunction, as described in sections 7.8 and 12.4 below. The Section 524(g) Trust shall be funded on the Effective Date with: (i) a combination of Cash and other consideration necessary to satisfy the requirements of section 524(g) of the Bankruptcy Code, in an aggregate amount determined by Final Order to satisfy in full all Contingent Asbestos Claims and Contingent Asbestos Demands; (ii) any insurance proceeds applicable to Contingent Asbestos Claims and/or Contingent Asbestos Demands; and (iii) 100% of the voting securities of Lac d'Amiante du Quebec, Ltée. Contingent Asbestos Claims and Contingent Asbestos Demands shall be liquidated and

resolved pursuant to the terms of the Section 524(g) Asbestos Distribution Protocol.

(ii) In the alternative, if this Reorganization Plan is accepted by less than 75% in number of the Holders of Class 7 Claims actually voting and/or if the FCR does not support the treatment described in section 5.7(i) above, then the Contingent Asbestos Trust shall be funded on the Effective Date with Cash or cash equivalents in the amount that, combined with any insurance proceeds applicable to Contingent Asbestos Claims, in an aggregate amount determined by Final Order to satisfy in full all Contingent Asbestos Claims (the foregoing treatment, the "Primary Asbestos Treatment"). If the Primary Asbestos Treatment goes into effect, Holders of Class 7 Claims shall receive distributions according to the Contingent Asbestos Claims Resolution Protocol. Contingent Asbestos Demands shall not be affected by the Reorganization Case and shall become the responsibility of the Reorganized Debtor to be dealt with in the ordinary course. The Debtor, at the direction of the Plan Sponsor or the Reorganized Debtor, as the case may be, shall have the right to object to any Contingent Asbestos Demand on any ground available in applicable law or agreements.

(iii) In the further alternative, if, based on the results of the voting, Class 7 does not qualify for the treatment set forth in section 5.7(i), but the Court finds by Final Order that the treatment specified in section 5.7(ii) does not leave the Holders of Contingent Asbestos Claims Unimpaired, then, unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, each Contingent Asbestos Claim shall be reinstated on the Effective Date. Contingent Asbestos Demands shall not be affected by the Reorganization Case and shall become the responsibility of the Reorganized Debtor to be dealt with in the ordinary course. The Reorganized Debtor shall have the right to object to any Contingent Asbestos Claim and/or Contingent Asbestos Demand on any ground available in applicable law or agreements. When a Contingent Asbestos Claim has been resolved by (x) final order or (y) settlement approved by the Plan Sponsor, such Claim shall be paid in the ordinary course by the Reorganized Debtor, provided, however, that the Holders of Claims in Class 7 shall have additional recourse to the Contingent Asbestos Claims Trust (the foregoing, the "Alternative Asbestos Treatment").

Holders of Class 7 Claims are entitled to vote to accept or reject the treatment specified in section 5.7(i); provided, however, that if the Reorganization Plan is accepted by less than 75% in number of Holders of Claims in Class 7 actually voting or if the FCR rejects the treatment in section 5.7(i), then Holders of claims in Class 7 shall receive the treatment provided in section 5.7(ii) or (iii) as applicable, shall be Unimpaired, and shall be deemed to have accepted the Reorganization Plan.

5.8 **Class 8: Toxic Tort Claims.**

Class 8 consists of all Toxic Tort Claims. Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, each Allowed Toxic Tort Claim shall receive from the

Reorganized Debtor, in full and final satisfaction of such Claim, Cash in an amount determined by the terms of the applicable settlement approved by the Court.

Class 8 is Unimpaired, and the Holders of Class 8 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 8 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.9 Class 9: Insured Claims.

Class 9 consists of all Insured Claims. Unless the Plan Sponsor and the Holder of any such Claim agree to a different treatment, each Holder of an Allowed Insured Claim shall receive the proceeds of any insurance applicable to such claim on the Quarterly Distribution Date next following the date on which such proceeds are provided to the Debtor or the Reorganized Debtor by the applicable insurer. To the extent the insurance proceeds are insufficient to cover the Allowed amount of such Claim in full, the amount of any deficiency shall be treated as a General Unsecured Claim.

Class 9 is Unimpaired, and the Holders of Class 9 Claims are conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 9 Claims are not entitled to vote to accept or reject the Reorganization Plan.

5.10 Class 10: Equity Interests.

Class 10 consists of all Equity Interests. As of the Effective Date, the Holder of the Equity Interests shall retain 100% of its Equity Interests, which shall become equity interests in the Reorganized Debtor.

Class 10 is Unimpaired, and the Holder of Class 10 Equity Interests is conclusively deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holder of Class 10 Equity Interests is not entitled to vote to accept or reject the Reorganization Plan.

5.11 Interest.

To the extent that the Holders of Claims in any Class establish, by Final Order, that such Holders are entitled to be paid interest on such Claims then interest shall be paid to such Holders at the legally required rate.

**ARTICLE VI
ACCEPTANCE OR REJECTION OF THE PLAN**

6.1 Voting; Presumed Acceptance By Unimpaired Classes.

Holders of Contingent Asbestos Claims in Class 7 and the FCR are entitled to vote regarding whether to accept or reject the treatment provided in section 5.7(i). Classes 1, 2, 3, 4, 5-A, 5-B, 5-C, 6, 7, 8, 9 and 10 are Unimpaired under the Reorganization Plan, and, therefore,

the Holders of Classes 1, 2, 3, 4, 5-A, 5-B, 5-C, 6, 7, 8 and 9 Claims and Class 10 Equity Interests are presumed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code.

**ARTICLE VII
MEANS OF IMPLEMENTATION OF THE PLAN**

7.1 Continued Corporate Existence.

As of and after the Effective Date, the Debtor shall continue to exist as the Reorganized Debtor with all the powers of a Delaware limited liability company and without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law, and may operate its businesses and may use, acquire and dispose of property without supervision or approval of the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions, if any, expressly imposed by the Reorganization Plan or the Confirmation Order.

7.2 Vesting of Assets.

Except as otherwise provided in the Reorganization Plan, on the Effective Date, all of the Debtor's and the Estate's property and assets, except for the Excluded Assets, shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges and other encumbrances. For the avoidance of doubt, any and all claims and causes of action that belonged to the Debtor or the Estate as of the Effective Date, including, without limitation, those based on any alter ego, piercing of corporate veil or similar legal theory, shall vest in the Reorganized Debtor on the Effective Date, and the Reorganized Debtor shall be the only Entity entitled to pursue such claims or causes of action.

7.3 Excluded Assets.

The Excluded Assets (if any) shall be liquidated or disposed of by the Debtor following the Effective Date.

7.4 Corporate Governance.

On or as soon as reasonably practicable after the Effective Date, the Reorganized Debtor shall file an amended Limited Liability Company Agreement with the secretary of state of the State of Delaware.

7.5 Corporate Action.

On the Effective Date, the amendment of the Limited Liability Company Agreement, the selection of directors and officers of the Reorganized Debtor, and all actions contemplated by the Reorganization Plan shall be authorized and approved in all respects. All corporate actions, if any, required by the Debtor or the Reorganized Debtor in connection with the implementation of the Reorganization Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the directors of the Debtor or of the Reorganized Debtor. The Reorganized Debtor and the Plan Sponsor agree, and the Limited Liability Agreement shall

provide that, for so long as any of the Reorganized Debtor's obligations under Article III and Article V remain outstanding, the Reorganized Debtor shall not transfer all or substantially all assets of Reorganized ASARCO to any entity unless such entity assumes such liabilities under Article III and Article V of the Reorganization Plan.

7.6 Directors and Officers.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Plan Sponsor shall disclose, by Filing a Plan Supplement on or prior to the Confirmation Date, the identity and affiliations of any person proposed to serve on the initial board of directors of the Reorganized Debtor or as the Reorganized Debtor's officer. To the extent any such person is an insider, the nature of any compensation payable to such person shall be disclosed at such time. The Reorganized Debtor shall have a five person board of directors, each of them nominated by the Holder of Equity Interests. Each director and officer shall serve from and after the Effective Date pursuant to the terms of the amended Limited Liability Company Agreement, and applicable law.

7.7 Environmental Liquidation Trust.

On the Effective Date, the Plan Sponsor and the Debtor shall establish the Environmental Liquidation Trust, and shall fund it with the Owned Non-Strategic Properties and Cash in the amount of \$10 million in order to initiate the clean-up process. All Liquidated Environmental Claims shall be channeled to the Environmental Liquidation Trust, and, on the Effective Date, the Environmental Liquidation Trust shall assume full liability for all Liquidated Environmental Claims. As soon as practicable after the Effective Date, the Environmental Liquidation Trust shall commence, facilitate, oversee, and fund environmental clean-up efforts with respect to each Owned Non-Strategic Property such that each Owned Non-Strategic Property is cleaned up to regulatory closure. The Environmental Liquidation Trust shall liquidate each Owned Non-Strategic Property that has been cleaned up to regulatory closure, and shall use the proceeds of such liquidations to fund further clean-up efforts. The Reorganized Debtor shall remain responsible to perform full remediation to regulatory closure, and the Environmental Liquidation Trust Agreement shall so provide. Any funds remaining in the Environmental Liquidation Trust after all Owned Non-Strategic Properties have been cleaned up to regulatory closure and liquidated shall be distributed to the Reorganized Debtor.

7.8 Asbestos Claims Treatment.

On the Effective Date, either:

- (i) pursuant to section 5.7(i) the Plan Sponsor shall establish and fund the Section 524(g) Trust with (a) Cash or cash equivalents, which, combined with (b) shall be in the maximum aggregate amount of all Contingent Asbestos Claims and Contingent Asbestos Demands, as estimated by the Court pursuant to section 502(c) of the Bankruptcy Code and the Asbestos Agreement, (b) assignment of all applicable insurance proceeds and (c) 100% of the voting securities of Lac d'Amiante du Quebec, Ltée, the Section 524(g) Trust Channeling Injunction and Section 524(g) Asbestos Claims Protocol shall become effective; or

(ii) pursuant to section 5.7(ii) or (iii), the Plan Sponsor shall establish the Contingent Asbestos Trust, and fund it on the same date, with Cash or cash equivalents in the amount that, combined with any insurance proceeds applicable to Contingent Asbestos Claims, equals the maximum aggregate amount of all Contingent Asbestos Claims, as estimated by the Court pursuant to section 502(c) of the Bankruptcy Code and the Asbestos Agreement.

7.9 Exclusivity Period.

Subject to further order of the Court, the Debtor with the written consent of the Plan Sponsor shall, pursuant to section 1121 of the Bankruptcy Code, retain the exclusive right to amend the Reorganization Plan until the Effective Date.

7.10 Creditors' Committee and Other Professionals.

Subject to section 13.2 or further order of the court, as of the Effective Date, the Creditors' Committee shall dissolve, and its members shall be released and discharged from all further authority, duties, responsibilities, and obligations relating to and arising from the Reorganization Case. The retention and employment of the Professionals retained by the Creditors' Committee shall terminate as of the Effective Date, provided, however, that the Creditors' Committee shall exist, and its Professionals shall be retained, after such date with respect to applications Filed pursuant to sections 330 and 331 of the Bankruptcy Code. The retention of any other Professionals shall terminate as of the Effective Date, provided, however, that such Professionals shall be retained after such date with respect to applications, if any, Filed pursuant to sections 330 and 331 of the Bankruptcy Code. Upon entry of the Confirmation Order, any order of the Court authorizing or requiring the Debtor to provide funding to the Debtor Subsidiaries (or to any Professionals retained by such Debtor Subsidiaries or other estate Professionals in the Debtor Subsidiaries' chapter 11 cases) shall terminate and shall be deemed to be of no further force and effect.

7.11 Sources of Cash and Other Consideration for Distributions.

The Debtor's Cash reserves shall be used to pay Allowed Claims that are to be paid on the Effective Date (or to establish reserves or make other payments called for by the Reorganization Plan). On the Effective Date, the Plan Sponsor shall (i) in accordance with sections 5.7 and 7.8, provide Cash necessary to fund either the Section 524(g) Asbestos Trust or the Contingent Asbestos Claims Trust, as applicable; (ii) provide Cash necessary to fund (x) the payments required by section 5.5 including, for the avoidance of doubt, any reserves required as Claims in Class 5-C that have not been Allowed as of the Effective Date, and (y), to the extent of any difference between the Debtor's Cash on hand immediately prior to the Effective Date and Cash required to fund payments or establish reserves required by Section III and sections 5.1, 5.2, 5.3, 5.4, 5.6, 5.7 and/or 5.8, and (iii) deliver the AMC Guaranty if, and to the extent, required by the Court to determine the feasibility of the Reorganization Plan. Claims that the Reorganization Plan provides will be reinstated shall be paid, as and when Allowed, out of the Reorganized Debtor's operating cash flows unless otherwise provided in this Reorganization Plan. For the avoidance of doubt, it is not a condition to the confirmation or effectiveness of the Reorganization Plan that any particular Claims or Classes have been Allowed by Final Order, it

being understood that the Plan Sponsor will post Cash reserves for any Claims that have not been Allowed by Final Order as set forth in section 8.2.

7.12 Preservation of Rights of Action.

Except as otherwise provided herein, in the Confirmation Order, or in the Reorganization Plan, the Disclosure Statement or any Plan Supplement document, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall retain all Causes of Action notwithstanding the occurrence of the Confirmation Date or the Effective Date, to be administered and prosecuted after the Effective Date at the Reorganized Debtor's discretion.

7.13 Examiner.

No provision of the Plan shall be construed as impairing the Examiner's investigations and his authority to file reports, even if such investigations conclude and/or such filings occur after the occurrence of the Effective Date. Unless otherwise ordered by the Court prior to the Effective Date, the procedures with respect to the filing and consideration of the Examiner's fee applications and requests for reimbursements shall continue after the Effective Date in the same manner as prior to the Effective Date.

**ARTICLE VIII
DISTRIBUTIONS UNDER THE PLAN**

8.1 Initial Distribution Date.

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Reorganized Debtor shall make, or shall make adequate reserves for, the Distributions required to be made under the Reorganization Plan.

8.2 Disputed Reserves.

8.2.1 *Establishment of Disputed Reserves.*

On the Initial Distribution Date, and after making all Distributions required to be made on such date under the Reorganization Plan, the Reorganized Debtor shall establish a separate Disputed Reserve for each of the Classes containing Disputed Claims not otherwise provided for in section 5.5, 5.7 and/or 7.7, if any, each of which Disputed Reserves shall be administered by the Reorganized Debtor. The Reorganized Debtor shall reserve in Cash or other property, for Distribution on account of each Disputed Claim, the full asserted amount (or such lesser amount as may be estimated by the Court in accordance with section 9.2 hereof) with respect to each Disputed Claim.

8.2.2 *Maintenance of Disputed Reserves.*

To the extent that the property placed in a Disputed Reserve consists of Cash, that Cash shall be deposited in an interest-bearing account.

All property held in the Disputed Reserves shall be held by the Reorganized Debtor in trust for the benefit of the Holders of Disputed Claims ultimately determined to be entitled to receive Distributions from a particular Disputed Reserve. Each Disputed Reserve shall be closed and extinguished by the Reorganized Debtor when all Distributions and other dispositions of Cash or other property required to be made hereunder will have been made in accordance with the terms of the Reorganization Plan. Upon closure of a Disputed Reserve, all Cash (including any interest accrued thereon) held in that Disputed Reserve shall revert in and become the property of the Reorganized Debtor.

8.3 **Quarterly Distributions.**

Any Distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that Distribution is not an Allowed Claim on such date, shall be held by the Reorganized Debtor in, as applicable, a Disputed Reserve pursuant to section 8.2 or the Asbestos Trust pursuant to section 5.7, and Distributed on the first Quarterly Distribution Date occurring after such Claim is Allowed.

8.4 **Record Date for Distributions.**

Except as otherwise provided in a Final Order of the Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the Holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. The Reorganized Debtor shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making any Distribution with respect to any Claim, the Reorganized Debtor shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the proof of Claim Filed with respect thereto or on the Schedules as the Holder thereof as of the close of business on the Record Date and upon such other evidence or record of transfer or assignment that are known to the Reorganized Debtor as of the Record Date.

8.5 **Delivery of Distributions.**

8.5.1 ***General Provisions; Undeliverable Distributions.***

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, Distributions to the Holders of Allowed Claims shall be made by the Reorganized Debtor at (a) the address of each Holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim Filed by such Holder or (b) the last known address of such Holder if no proof of Claim is Filed or if the Debtor has been notified in writing of a change of address. If any Distribution is returned as undeliverable, the Reorganized Debtor may, in its discretion, make such efforts to determine the current address of the Holder of the Claim with respect to which the Distribution was made as the Reorganized Debtor deems appropriate, but no Distribution to any Holder shall be made unless and until the Reorganized Debtor has determined the then-current address of the Holder, at which time the Distribution to such Holder shall be made to the Holder. Amounts in respect of any undeliverable Distributions made by the Reorganized Debtor shall be returned to, and held in trust by, the Reorganized Debtor until the Distributions are claimed or are deemed to

be unclaimed property under section 347(b) of the Bankruptcy Code as set forth below in this Section. The Reorganized Debtor shall have the discretion to determine how to make Distributions in the most efficient and cost-effective manner possible; *provided*, however, that its discretion may not be exercised in a manner inconsistent with any express requirements of the Plan or the Liquidating Trust Agreement.

8.5.2 *Minimum Distributions.*

Notwithstanding anything herein to the contrary, if a Distribution to be made to a Holder of an Allowed Claim on the Initial Distribution Date or any subsequent date for Distributions (other than the final Distribution Date) would be \$25 or less in the aggregate, no such Distribution will be made to that Holder unless a request therefor is made in writing to the Reorganized Debtor no later than twenty (20) days after the Effective Date.

8.5.3 *Unclaimed Property.*

Except with respect to property not Distributed because it is being held in a Disputed Reserve, the Environmental Liquidation Trust or the Asbestos Trust, Distributions that are not claimed by the expiration of one year from the Effective Date shall be deemed to be unclaimed property under section 347(b) of the Bankruptcy Code and shall vest or re-vest in the Reorganized Debtor, and the Claims with respect to which those Distributions are made shall be automatically canceled. After the expiration of that one-year period, the claim of any Entity to those Distributions shall be discharged and forever barred. Nothing contained in the Reorganization Plan shall require the Reorganized Debtor to attempt to locate any Holder of an Allowed Claim.

8.6 **Manner of Cash Payments.**

Cash payments made pursuant to the Reorganization Plan shall be in United States dollars by checks drawn on a domestic bank selected by the Reorganized Debtor or by wire transfer from a domestic bank, at the option of the Reorganized Debtor.

8.7 **Time Bar to Cash Payments by Check.**

Checks issued by the Reorganized Debtor on account of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for the reissuance of any check that becomes null and void pursuant to this section 8.7 shall be made directly to the Reorganized Debtor by the Holder of the Allowed Claim to whom the check was originally issued. Any Claim in respect of such voided check shall be made in writing on or before the later of the first anniversary of the Effective Date or the first anniversary of the date on which the Claim at issue became an Allowed Claim. After that date, all Claims in respect of void checks shall be discharged and forever barred and the proceeds of those checks shall re-vest in and become the property of the Reorganized Debtor as unclaimed property in accordance with section 347(b) of the Bankruptcy Code.

8.8 **Compliance with Tax Requirements.**

In connection with making Distributions under the Reorganization Plan, the Reorganized Debtor shall comply with all tax withholding and reporting requirements imposed on it by any

governmental unit, and all Distributions pursuant to this Reorganization Plan shall be subject to such withholding and reporting requirements. The Reorganized Debtor may withhold the entire Distribution due to any Holder of an Allowed Claim until such time as such Holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Reorganized Debtor to the appropriate authority. If the Holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six months from the date of first notification to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such Holder's Distribution shall be treated as an undeliverable distribution in accordance with section 8.5.1.

8.9 No Payments of Fractional Dollars.

Notwithstanding any other provision of the Reorganization Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Reorganization Plan. Whenever any payment of a fraction of a dollar under the Reorganization Plan would otherwise be required, the actual Distribution made shall reflect a rounding up of such fraction to the nearest whole dollar.

8.10 No Distribution in Excess of Allowed Amount of Claim.

Notwithstanding anything to the contrary contained in the Reorganization Plan, no Holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of that Claim (except for the interest accrued in accordance with the provisions of the Reorganization Plan).

8.11 Setoff and Recoupment.

The Reorganized Debtor may, but shall not be required to, setoff against, or recoup from, any Claim and the Distributions to be made pursuant to the Reorganization Plan in respect thereof, any claims or defenses of any nature whatsoever that the Debtor, the Estate, or the Reorganized Debtor may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Reorganization Plan shall constitute a waiver or release by the Debtor, the Estate, or the Reorganized Debtor of any right of setoff or recoupment that any of them may have against the Holder of any Claim.

8.12 Special Provision Regarding Unimpaired Claims.

Nothing herein shall affect the Debtor's or the Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any and all Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims, except as otherwise provided in the Reorganization Plan, the Confirmation Order, any other Order, including any Final Order, of the Court, or any document or agreement entered into or assumed and enforceable pursuant to the terms of the Plan.

**ARTICLE IX
DISPUTED CLAIMS**

9.1 Objection Deadline.

All objections to Disputed Claims shall be Filed and served by the Reorganized Debtor upon the Holders of each such Claim not later than 180 days after the Effective Date, unless otherwise ordered by the Court after notice and a hearing.

9.2 Prosecution of Objections and Requests for Estimation.

Prior to the Effective Date, the Filing, litigation, settlement, or withdrawal of all objections to Disputed Claims shall be the responsibility of the Debtor (with the prior consent of the Plan Sponsor), and the costs of such litigation, settlement, or withdrawal shall be borne by the Estate. On and after the Effective Date, except as to applications for allowances of compensation of Professionals or as otherwise ordered by the Court, responsibility for the Filing, litigation, settlement, or withdrawal of all objections to Disputed Claims, including objections pending on the Effective Date, shall be the responsibility of the Reorganized Debtor, and the costs of such litigation, settlement, or withdrawal shall be borne by the Reorganized Debtor.

The Debtor, at the direction of and in consultation with the Plan Sponsor, or the Reorganized Debtor, as applicable, shall serve a copy of each objection upon the Holder of the Holder of the Disputed Claim to which the objection is being made as soon as practicable, but in no event later than 180 days after the Effective Date unless such date is extended by order of the Court. All objections shall be litigated to a Final Order, except to the extent the Reorganized Debtor elects to withdraw any such objection or the Reorganized Debtor and the claimant elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim without approval of the Court, and any such compromise or settlement shall not result in an Impairment of such Disputed Claim.

The Debtor, at the direction of and in consultation with the Plan Sponsor, or the Reorganized Debtor, as applicable, may separately seek approval for a disputed claims resolution procedure which could include, among other provisions, a schedule for determining the Allowed amount of certain types of disputed claims on an expedited basis, upon presentation of specified evidence and in exchange for a release by the Claim Holder, as an alternative to litigation or the full objection process. The Debtor, at the direction of and in consultation with the Plan Sponsor, or the Reorganized Debtor, as applicable, may separately seek Court approval to establish a Disputed Reserve in an amount less than the full asserted amount of the Disputed Claims in a given Class of Claims, or to modify the size of an existing Disputed Reserve.

9.3 No Distributions Pending Allowance.

Notwithstanding any other provision hereof, unless ordered otherwise by a Final Order, if any portion of a Claim is a Disputed Claim, no payment or Distribution provided hereunder shall be made on account of the Allowed portion of the Claim unless and until the Disputed portion of the Claim is Allowed.

**ARTICLE X
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

10.1 Assumption and Assignment of Executory Contract and Unexpired Leases.

Effective as of the Effective Date, each of the executory contracts and unexpired leases to which the Debtor is a party on such date shall be deemed to be assumed and assigned to the Reorganized Debtor, and the Confirmation Order shall constitute the Court's approval of such assumption and assignment pursuant to section 365(a) of the Bankruptcy Code, except as set forth in section 10.2.

10.2 Rejection of Executory Contracts and Unexpired Leases.

The Plan Sponsor shall file a schedule of rejected executory contracts and unexpired leases not later than ten days prior to the Confirmation Hearing. Each executory contract and unexpired lease listed on such schedule shall be deemed automatically rejected in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date or such earlier date indicated on such schedule or on a notice of rejection notice served on the contract counterparty by the Plan Sponsor.

10.3 Bar Date for Rejection Damages.

Except as otherwise provided in a Final Order of the Court approving the rejection of an executory contract or unexpired lease, Claims arising out of the rejection of an executory contract or unexpired lease must be Filed with the Court on or before the earlier of: (a) 30 days after the Effective Date or (b) 30 days after (i) the date notice of such rejection is served on the contract counterparty, if the contract counterparty does not timely file an objection to the rejection, or (ii) the date that an Order is entered approving the rejection of the applicable executory contract or unexpired lease or the date that the objection to rejection is withdrawn, if an objection to rejection is timely filed with the Court by the contract counterparty. Any Claims resulting from rejection of an executory contract or unexpired lease not Filed within such applicable time periods will be forever barred from receiving a distribution from the Debtor, the Reorganized Debtor or the Estate.

10.4 Compensation and Benefit Plans and Treatment of Retirement Plans.

Except and to the extent previously assumed by an Order of the Court or applicable law, on or before the Effective Date, all Benefit Plans shall be deemed to be, and shall be treated as if they were, executory contracts that are assumed under Article 10 hereof, and the Debtor's obligations under such programs shall survive Confirmation of the Plan and shall be assumed by the Reorganized Debtor, except for (i) Benefit Plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (ii) such Benefit Plans as have previously been rejected, are the subject of a Filed motion to reject, or have been specifically waived by the beneficiaries of any Benefit Plan; provided, however, that the Debtor's obligations, if any, to pay all "retiree benefits" as defined in section 1114(a) of the Bankruptcy Code shall continue and shall be assumed by the Reorganized Debtor. The Debtor and the Plan Sponsors expressly affirm all statutory requirements relating to

all employee compensation and Benefit Plans of the Debtor under applicable law and such requirements shall remain unaltered by the Plan.

10.5 Unions.

The collective bargaining agreement by and among the Debtor, the Plan Sponsor and the Unions regarding the terms and conditions of employment for the Debtor's bargaining unit employees following the Effective Date shall be set forth in the Plan Supplement.

**ARTICLE XI
CONDITIONS PRECEDENT TO CONFIRMATION
AND THE EFFECTIVE DATE**

11.1 Conditions Precedent to the Confirmation of the Reorganization Plan.

Confirmation of the Reorganization Plan shall be contingent upon satisfaction of the following conditions:

- (a) Any settlement of Contingent Asbestos Claims, Environmental Claims, Toxic Tort Claims, Insured Claims and/or General Unsecured Claims not approved by the Court as of March 1, 2008, where the Allowed amount of such Claim shall be in excess of \$10 million, shall be on terms acceptable to the Plan Sponsor;
- (b) there shall not have occurred any event, development or circumstance, which has had, or could reasonably be expected to have, a material adverse effect on or change in the financial condition, business, results of operation, future prospects, assets or liabilities of ASARCO LLC. For the avoidance of doubt, if no agreement is achieved between the Unions and the Plan Sponsor, the occurrence and continuance of a labor strike shall not be a material adverse effect within the meaning of this clause and shall not constitute a failure of this condition precedent;
- (c) the form of all required documentation, including trust agreements and protocols, shall be in form and substance satisfactory to the Plan Sponsor; and
- (d) the Confirmation Order, in form and substance acceptable to the Plan Sponsor, shall have been entered by the Court.

11.2 Conditions Precedent to the Effective Date of the Reorganization Plan.

The Reorganization Plan shall not become effective and the Effective Date shall not occur unless and until the following conditions shall have been satisfied or waived in accordance with section 11.3:

- (a) *Confirmation Order.* The Confirmation Order shall have become a Final Order; *provided*, that the requirement for finality shall be waived as to any appeal as to which the appellant fails to obtain a stay pending appeal of the Confirmation Order.

- (b) *Plan.* After the entry of the Confirmation Order, no modifications shall have been made to the Reorganization Plan except in accordance with their respective provisions regarding modification.
- (c) *No Stay.* There shall not be in effect on the Effective Date any (i) Order entered by a U.S. court or (ii) any order, opinion, ruling or other decision entered by any other court or governmental entity or (iii) United States or other applicable law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan.
- (d) *Completion and Execution of Documents.* All actions, documents, and agreements necessary to implement the provisions of the Reorganization Plan to be effectuated on or prior to the Effective Date shall be satisfactory to the Plan Sponsor, and such actions, documents, and agreements shall have been effected or executed and delivered. All documents to be contained in the Plan Supplement shall be completed and in final form and, as applicable, executed by the parties thereto and all conditions precedent contained in any of the foregoing shall have been satisfied or waived.

11.3 Waiver of Conditions Precedent.

Each of the conditions precedent in section 11.2 may be waived or modified, in whole or in part, by the Plan Sponsor. Any such waiver or modification of a condition precedent in section 11.2 may be effected at any time, without notice, without leave or order of the Court, and without any other formal action, except with respect to the execution and effectiveness of any document that is being executed for the benefit of any person other than the Reorganized Debtor.

11.4 Consequences of Non-Occurrence of Effective Date.

In the event that the Effective Date does not timely occur, the Plan Sponsor reserves all rights to seek an order from the Court directing that the Confirmation Order be vacated, that the Reorganization Plan be null and void in all respects, and/or that any settlement of Claims provided for in the Reorganization Plan be null and void. In the event that the Court shall enter an order vacating the Confirmation Order, the time within which the Debtor may assume, assume and assign or reject all executory contracts and unexpired leases not previously assumed, assumed and assigned, or rejected, shall be extended for a period of 60 days after the date the Confirmation Order is vacated, without prejudice to further extensions.

ARTICLE XII RELEASES, INJUNCTION, AND WAIVER OF CLAIMS

12.1 Mutual Release by Released Parties.

On and after the Effective Date, except as specifically provided otherwise in the Reorganization Plan, each of the Debtor, the Estate, the Reorganized Debtor, each Plan Sponsor, Grupo Mexico S.A.B. de C.V., the Creditors' Committee, the present and former members of the Creditors' Committee, the DIP Lender, and all present and former directors, officers, agents, attorneys, employees, accountants, and advisors of any of the foregoing, each, solely in such

capacity (the “Released Parties”), for good and valuable consideration, including the services of the Released Parties to facilitate and expedite the reorganization of the Debtor, shall be deemed to have unconditionally released one another from any and all claims (as such term is defined in section 101(5) of the Bankruptcy Code), obligations, liabilities, suits, damages, remedies and causes of action, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, including any those that could be asserted on behalf of the Debtor, in each Released Party’s own right (whether individually or collectively) or on behalf of a Holder of a Claim, based upon any act or omission transaction, agreement, event or other occurrence taking place on or before the Effective Date, except for cases of fraud or willful misconduct; provided, however, that if the Plan Sponsors and Grupo Mexico S.A.B. de C.V. do not receive all protections provided for in this Reorganization Plan, including, but not limited to, those described in section 12.3, any protections in this section 12.1 for present and former directors and officers of the Debtors shall not go into effect..

12.2 Release by Holders of Claims.

On and after the Effective Date, except as specifically provided otherwise in the Reorganization Plan, for good and valuable consideration, including the payment in full of their respective Claims, each Holder of a Claim shall be deemed to have unconditionally released all the Released Parties from any and all claims (as such term is defined in section 101(5) of the Bankruptcy Code), obligations, liabilities, suits, damages, remedies and causes of action, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, including any that could be asserted on behalf of the Debtor, in each Released Party’s own right (whether individually or collectively) or on behalf of a Holder of a Claim, based upon any act or omission transaction, agreement, event or other occurrence taking place on or before the Effective Date, except for cases of fraud or willful misconduct and except to the extent necessary to enforce the provisions of the Reorganization Plan; provided, however, that if the Plan Sponsors and Grupo Mexico S.A.B. de C.V. do not receive all protections provided for in this Reorganization Plan, including, but not limited to, those described in section 12.3, any protections in this section 12.2 for present and former directors and officers of the Debtors shall not go into effect..

12.3 Release of Litigations.

The Reorganization Plan is a settlement between and among each Plan Sponsor, Grupo Mexico S.A.B. de C.V. and their affiliates, the Debtor, and the creditors of the Debtors of all litigations, threatened, or pending, with regard to, among other things, all causes of action identified in Schedule 1 hereto, all of which shall be deemed, without any notice, the entry of any other order, or any other action by any party to have been settled, dismissed, or withdrawn with prejudice, and such settlement, as reflected in the relative distributions and recoveries of creditors under the Reorganization Plan, is fair and reasonable and approved as provided under Bankruptcy Rule 9019(a) and the Confirmation Order shall so find.

12.4 Injunction.

Except as otherwise provided in the Reorganization Plan, the Confirmation Order or a separate order of the Court, as of the Effective Date, all Entities that have held, currently hold, or

may hold, directly, derivatively or otherwise, a Claim or Equity Interest or other right that is being dealt with in the Reorganization Plan, are permanently enjoined from taking any of the following actions on account of any such Claim or Equity Interest: (a) commencing or continuing in any manner any action or other proceeding against the Debtor, the Reorganized Debtor, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V., and each of their affiliates, and each of their assets, properties and interests in properties; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor, the Reorganized Debtor, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V., and each of their affiliates, and each of their assets, properties and interests in properties; (c) creating, perfecting, or enforcing any Lien or other encumbrance against the Debtor, the Reorganized Debtor, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V., and each of their affiliates, and each of their assets, properties and interests in properties; (d) asserting a setoff, right of subrogation, or recoupment of any kind against the Debtor, the Reorganized Debtor, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V., and each of their affiliates, and each of their assets, properties and interests in properties; and (e) commencing or continuing any action, in any manner or in any place, against any of the Debtor, the Reorganized Debtor, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V., and each of their affiliates, and each of their assets, properties and interests in properties that otherwise does not comply with or is inconsistent with the provisions of the Reorganization Plan or the Confirmation Order.

If at least 75% of the Holders of Class 7 Claims actually voting on the Reorganization Plan and the FCR cast ballots to accept the Plan, then the Section 524(g) Channeling Injunction shall go into effect on the Effective Date.

12.5 Discharge.

Except as otherwise provided in the Reorganization Plan, the Confirmation Order or a separate order of the Court, for good and valuable consideration, as of the Effective Date all claims and demands of any nature whatsoever, other than reinstated Asbestos Claims, but including past, present and future environmental liability claims against the Debtor and the Reorganized Debtor and, to the extent applicable, ASARCO Incorporated, Americas Mining Corporation, and Grupo Mexico S.A.B. de C.V. and each of their affiliates, and each of their assets, properties, and interests in property, shall be completely and forever satisfied and discharged and released in full.

12.6 Non-Dischargeable Environmental Liability.

Nothing herein shall be deemed as discharging or otherwise affecting the rights of governmental units, as that term is defined in Section 101(27) of the Bankruptcy Code, to assert claims or causes of action against the Reorganized Debtor on account of or arising under applicable environmental laws to the extent that such rights are not otherwise dischargeable under the provisions of the Bankruptcy Code. Nothing in this Plan or any related document shall be deemed as discharging, impairing or otherwise adversely affecting the police and regulatory rights and claims of governmental units on account of or arising under applicable environmental laws and such regulatory rights and the claims of governmental units against the Debtor and the

Reorganized Debtor shall survive the Chapter 11 Case and shall be determined in the manner and by the administrative or judicial tribunals in which such rights or claims would have been resolved or adjudicated, if the Debtor had not commenced its Chapter 11 Case.

12.7 Term of Injunctions or Stays.

Unless otherwise provided herein, in the Confirmation Order, or in any order providing for a stay or injunction, all injunctions or stays provided for in the Reorganization Case pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

**ARTICLE XIII
RETENTION OF JURISDICTION**

13.1 Retention of Jurisdiction.

Notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Court shall retain exclusive jurisdiction of all matters arising out of or relating to the Reorganization Case, the Reorganization Plan, the Confirmation Order, and the Reorganized Debtor pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To resolve any matters relating to the assumption and assignment of executory contracts or unexpired leases;
- (b) To decide and resolve any and all motions, adversary proceedings, applications, contested matters and any other matters, whether pending as of the Effective Date or brought thereafter in accordance with the terms hereof;
- (c) To consider and rule on the compromise and settlement of any Claim against, or Cause of Action on behalf of, the Debtor or the Estate;
- (d) To ensure that Distributions to Holders of Allowed Claims are accomplished as provided herein, and resolve any disputes concerning any such Distributions;
- (e) To Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim (including any Administrative Expense Claim), and to resolve any and all objections to the Disputed Claims;
- (f) To hear and determine any and all applications for the allowance of compensation of Professional for professional services rendered and expenses incurred prior to the Confirmation Date;
- (g) To enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Reorganization Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Reorganization Plan;

- (h) To consider any modifications of the Reorganization Plan, to cure any defect or omission, or reconcile any inconsistency, in the Reorganization Plan or in any order of the Court as may be necessary to carry out the purposes and intent of the Reorganization Plan and to implement and effectuate the Reorganization Plan;
- (i) To resolve any cases, controversies, suits or disputes arising in connection with the interpretation, implementation, or enforcement of the Reorganization Plan or any person's or Entity's obligations incurred in connection with the Reorganization Plan;
- (j) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (k) To enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, revoked, reversed or vacated;
- (l) To enforce remedies upon any default under the Reorganization Plan;
- (m) To enforce, interpret, and determine any disputes arising in connection with any orders, stipulations, judgments, and rulings entered in connection with the Reorganization Case (whether or not the Reorganization Case has been closed);
- (n) To resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Reorganization Plan, or any Entity's obligations incurred in connection herewith;
- (o) To determine any other matters that may arise in connection with or relate to the Reorganization Plan, the Disclosure Statement, the Confirmation Order, the Reorganized Debtor, or any contract, instrument, release, indenture, or other agreement or document created or reinstated in connection with the Reorganization Plan;
- (p) To issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any person or Entity with the consummation of the Reorganization Plan, or the enforcement of any rights, remedies, or obligations created under the Reorganization Plan;
- (q) To determine such other matters as may be provided for in the Confirmation Order or other orders of the Court or as may be authorized under the provisions of the Bankruptcy Code or any other applicable law;
- (r) To hear any other matter if the Court's exercise of jurisdiction thereover is not inconsistent with the Bankruptcy Code or title 28 of the United States Code;
- (s) To hear and determine issues relating to discharge, injunctions, and other waivers and protections provided under or relating to the Reorganization Plan;

- (t) To hear applications by the Plan Sponsor regarding adjustments of funds in the Asbestos Trust;
- (u) To recover all assets of the Debtor and the Estate wherever located; and
- (v) To enter a final decree closing the Reorganization Case.

13.2 **Modification of the Reorganization Plan.**

13.2.1 *Modification Before the Effective Date.*

The Plan Sponsor may alter, amend, or modify the Reorganization Plan or any provision or portion thereof under section 1127(a) of the Bankruptcy Code at any time prior to the Effective Date; provided, however, that the Plan Sponsor shall make no material modification to the Reorganization Plan without the consent of the Debtor. The Plan Sponsor shall provide parties in interest with notice of such amendments or modifications as may be required by the Bankruptcy Rules or any order of the Court and shall, in any event, provide such notice to counsel for the Debtor and counsel to the Creditors' Committee. All Holders of Allowed Claims shall be deemed to have accepted the Reorganization Plan as altered, amended, modified, or clarified, unless the proposed alteration, amendment, modification, or clarification renders their Claim Impaired (if currently Unimpaired) or negatively impacts their treatment (if currently Impaired).

13.2.2 *Modification Before Substantial Consummation.*

After the Effective Date but prior to the "substantial consummation" (as that term is defined in section 1101(2) of the Bankruptcy Code) of the Plan, the Reorganized Debtor or the Plan Sponsor, may, pursuant to section 1127(b) of the Bankruptcy Code, institute proceedings in the Court to remedy any defect or omission or to reconcile any inconsistencies in the Reorganization Plan, the Disclosure Statement, or the Confirmation Order, and otherwise provide for such matters as may be necessary to carry out the purpose and effect of the Reorganization Plan, as long as the proceedings do not adversely affect the treatment of Holders of Claims under the Reorganization Plan; *provided*, however, that, to the extent required by the Bankruptcy Rules or an order of the Court, prior notice of any such proceedings shall be served in accordance therewith. All Holders of Allowed Claims shall be deemed to have accepted the Reorganization Plan as altered, amended, modified, or clarified, unless the proposed alteration, amendment, modification, or clarification renders their Claim Impaired (if currently Unimpaired) or negatively impacts their treatment (if currently Impaired).

ARTICLE XIV MISCELLANEOUS PROVISIONS

14.1 **Payment of Statutory Fees.**

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on the Effective Date or as soon as practicable thereafter.

14.2 Exemption from Certain Transfer Taxes.

Pursuant to section 1146 of the Bankruptcy Code, (a) the issuance, transfer or exchange of any securities, instruments, or documents; (b) the creation of any Lien, mortgage, deed of trust, or other security interest; (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with, the Reorganization Plan, including, without limitation, any deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Reorganization Plan or reinvesting, transfer or sale of any real or personal property of the Debtor pursuant to, in implementation of, or as contemplated in, the Reorganization Plan; and (d) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Reorganization Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee or other similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, or governmental assessment. Consistent with the foregoing, each recorder of deeds or similar official for any county, city, or governmental unit in which any instrument is to be recorded hereunder shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument without requiring the payment of any filing fees, documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, mortgage recording tax, sales, use, or similar tax.

14.3 Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent a schedule or exhibit hereto or instrument, agreement, or other document executed in connection with the Reorganization Plan provides otherwise, the rights, duties, and obligations arising under the Reorganization Plan, and the instruments, agreements, and other documents executed in connection with the Reorganization Plan, shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to any choice of law provisions that would require the application of the law of any other jurisdiction.

14.4 Notices.

To be effective, all notices, requests, and demands under the Reorganization Plan must be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Plan Sponsor:

Americas Mining Corporation
ASARCO Incorporated
Attn: Jorge Lazalde Psihas
11811 North Tatum Blvd.
Suite 2500

Phoenix, AZ 85028

With a copy to:

Milbank, Tweed, Hadley & McCloy LLP
Attn: Luc Despins, Esq.
1 Chase Manhattan Plaza
New York, NY 10005-1413
Telephone: (212) 530-5660
Facsimile: (212) 822-5660

- And -

Haynes and Boone, LLP
Attn: Charles A. Beckham, Jr.
1 Houston Center
1221 McKinney, Suite 2100
Houston, Texas 77010
Telephone: (713) 547-2000
Facsimile: (713) 547-2600

To the Debtor:

ASARCO LLC
Joseph F. Lapinsky
President and Chief Executive Officer
1150 North 7th Avenue
Tucson, AZ 85705-6606

With a copy to:

Baker Botts LLP
Attn: Jack L. Kinzie
2001 Ross Avenue
Dallas, Texas 75201-2980
Telephone: (214) 953-6500
Facsimile: (214) 661-6503

To the Creditors' Committee:

Reed Smith LLP
Paul M. Singer
435 Sixth Ave.
Pittsburgh, Pennsylvania 15219
Telephone: (412) 288-3114
Facsimile: (412) 288-3114

14.5 Further Documents and Actions.

The Debtor and the Reorganized Debtor shall execute, and are authorized to File with the Court and deliver, such agreements and other documents or information, and to take or cause to be taken such actions, as may be necessary or appropriate to effect and further evidence the terms and conditions of the Reorganization Plan and to consummate the transactions and transfers contemplated by the Reorganization Plan. The Debtor and the Reorganized Debtor and all other necessary or appropriate parties shall execute any and all documents and instruments that must be executed under or in connection with the Reorganization Plan in order to implement the terms of the Reorganization Plan or to effectuate the Distributions under the Reorganization Plan, provided that such documents and instruments are reasonably acceptable to such party or parties.

14.6 Plan Supplement.

The Plan Supplement shall contain, among other things, the forms of documents provided for in the Reorganization Plan and shall be Filed with the clerk of the Court at least ten days prior to the Confirmation Hearing. Upon its filing with the Court, the Plan Supplement may be inspected in the office of the Clerk of the Court during normal Court hours. Holders of Claims may obtain a copy of the Plan Supplement, at their own expense unless otherwise required by the Bankruptcy Code or the Bankruptcy Rules or ordered by the Court, by making a written request by either regular mail to Milbank, Tweed, Hadley & M^cCloy LLP, Attn: Rena Ceron, Legal Assistant, 1 Chase Manhattan Plaza, New York, New York 10005.

14.7 Relationship Among the Reorganization Plan and Certain Other Documents.

To the extent that the Reorganization Plan is inconsistent with the Disclosure Statement, the provisions of the Reorganization Plan shall be controlling. To the extent that the Reorganization Plan is inconsistent with the Confirmation Order, the provisions of the Confirmation Order shall be controlling.

14.8 Reservation of Rights.

If the Reorganization Plan is not confirmed by a Final Order, or if the Reorganization Plan is confirmed and does not become effective, the rights of all parties in interest in the Reorganization Case, including the Plan Sponsor and the Debtor, are and will be reserved in full. Any concessions or settlements reflected herein (if any), are made for purposes of the Reorganization Plan only, and if the Reorganization Plan does not become effective, no party in interest shall be bound or deemed prejudiced by any such concession or settlement.

14.9 Revocation, Withdrawal, or Non-Consummation.

The Plan Sponsor reserves the right to revoke or withdraw the Reorganization Plan at any time prior to the Confirmation Date and to seek to file other plans of reorganization. If the Plan Sponsor revokes or withdraws the Reorganization Plan, or if confirmation or consummation of the Reorganization Plan does not occur, then (i) the Reorganization Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in the Reorganization Plan, assumption or rejection of executory contracts or leases effected by the Reorganization Plan, and any

document or agreement executed pursuant to the Reorganization Plan shall be deemed null and void, and (iii) nothing contained in the Reorganization Plan, and no acts taken in preparation for consummation of the Reorganization Plan, shall prejudice in any manner the rights of the Plan Sponsor or constitute an admission or waiver of any sort by the Plan Sponsor.

14.10 Limit on Precedential Effect.

The structure of this Reorganization Plan and the classification of creditors or groups of creditors within one Class contained herein shall have no evidentiary or precedential effect if the Reorganization Plan is not confirmed and consummated.

14.11 Binding Effect.

The rights, benefits, and obligations of any Entity named or referred to in the Reorganization Plan, or whose actions may be required to effectuate the terms of the Reorganization Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Entity.

14.12 Exhibits.

All Exhibits and Schedules to this Reorganization Plan, if any, are incorporated into and are part of this Reorganization Plan as if set in full herein.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the undersigned has duly executed the Reorganization Plan as of the date first above written.

Plan Proponents

ASARCO LLC

By: _____
Name:
Title:

AMERICAS MINING CORPORATION

By: _____
Name:
Title:

ASARCO INCORPORATED

By: _____
Name:
Title:

SCHEDULE 1**RELEASED LITIGATION**

DOCKET NO.	PLAINTIFFS	DEFENDANTS	NATURE OF ACTION
District Court, Southern District of Texas			
07-00018	ASARCO LLC, Southern Peru Holdings, LLC	Americas Mining Corporation (“AMC”)	Fraudulent Transfer
07-00203 (Removed 05/02/07)	Phillip Nelson Burns, ASARCO LLC, Southern Peru Holdings, LLC, Mirjana Pavkovich, Warren Elmer Halpap,	Grupo Mexico S.A. de C.V.	Constructive and actual fraud, fraudulent conveyance
Bankruptcy Court, Southern District of Texas			
07-02009	ASARCO LLC	Americas Mining Corporation	Fraudulent transfer
07-02011	ASARCO LLC	AMC, ASARCO Incorporated, Enthone Inc. f/k/a Enthone-OMI, Inc., EI Liquidation, Inc. f/k/a Enthone, Incorporated, OMI International Corporation, Counter-Claimant - CAPCO Pipe Company, Inc., Counter-Defendant - AMC, ASARCO Incorporated, Rinker Materials South Central, Inc. f/k/a American Limestone Company, Enthone Inc. f/k/a Enthone-OMI, Inc., EI Liquidation, Inc. f/k/a Enthone, Incorporated, OMI International Corporation	Tax Refund Complaint: seeking declaration that the refund is property of ASARCO LLC.
07-02062	ASARCO LLC	Servicios de Apoyo Administrativo, S.A. de C.V	Recovery of money/property
07-02063	ASARCO LLC	Mexicana de Cobre, S.A. de C.V.	Preferential or fraudulent transfer
07-02064	ASARCO LLC	Minera Mexico Internacional, Inc.	Preferential or fraudulent transfer; and objection to Claim No. 11067

DOCKET NO.	PLAINTIFFS	DEFENDANTS	NATURE OF ACTION
07-02071	ASARCO LLC, AR Sacaton, LLC	Americas Mining Corporation, Tri-Point Development, LLC, CMR/Casa Grande, LLC, Vanguard Properties, Inc., First American Title Insurance Company	Fraudulent transfer
07-02072	ASARCO LLC	Grupo Mexico, S.A. de C.V.	Preferential or fraudulent transfer
07-02073	ASARCO LLC	Minera Mexico S.A. de C.V.	Preferential or fraudulent transfer
07-02075	ASARCO LLC	Americas Mining Corporation, ASARCO Incorporated	Preferential or fraudulent transfer
07-02077	Official Committee of Unsecured Creditors of ASARCO, LLC, <i>on Behalf of the ASARCO, LLC Bankruptcy Estate</i>	Genaro Larrea Mota-Velasco, German Larrea Mota-Velasco, Xavier Garcia de Quevedo Topete, Oscar Gonzalez Rocha, Alfredo Casar Perez, Daniel Tellechea Salido, Manuel Calderon Cardenas, Alberto de la Parra Zavala, Armando Fausto Ortega Gomez	Breach of Fiduciary Duties

SCHEDULE 2**OWNED NON-STRATEGIC PROPERTIES**

SITE
Globe Plant, CO
Circle Smelting, IL (Beckmeyer property)
Trench Mine, AZ
Salero #3 (two properties), AZ
Madera Canyon, AZ
Sacaton Mine, AZ
Black Pine Mine, MT
Deming Mill Site, NM
Perth Amboy Plant Site – Arthur Kill, NJ
Black Pine Mine, Granite County, MT Properties
Federated Metals Whiting, IN
Federated Metals, TX (Mill Stone Property and Lone Star Lead Site)
Waldo Mine Magdalena, NM
Owned portions of Iron Mountain, MT Site
Owned portions of East Helena, MT site
Amarillo Zinc Refinery, TX
El Paso Smelter Property, TX
Silverton, CO
Triumph Mine Site, ID
Blackhawk Mining & Development Co., ID
Hillsboro Site, IL
Owned portions of Mike Horse Mine site, MT
Government Gulch Mining Co. Ltd. Site, ID
Greenhill Cleveland Mining Co., Inc. Site, ID
Wyoming Mining and Milling Co. Site, ID
Page Mine Site, ID
Midland Coal Site, IL

SITE
Alton Site, IL
Trenton Plant Site, NJ
Cook's Peak Site, NM
McFarland/Cascade Log Yard, WA
Columbus Site, OH
Murray Site Repository, UT

SCHEDULE 3

OWNED STRATEGIC PROPERTIES

SITE
Ray Complex, Ray Complex Land Exchange, Ray Mine Area Pinal County, AZ
Mission Mine Complex, AZ
Hayden Mine Complex, AZ
Silver Bell Well Field, AZ
KCC Smelter, AZ
Amarillo Copper Refinery, TX

SCHEDULE 4

BENEFIT PLANS

BENEFIT PLAN	EFFECTIVE AS OF:
Amended and Restated Retirement Benefit Plan For Salaried Employees of Asarco Incorporated	July 1, 2002
Amended and Restated Retirement Income Plan for Hourly-Rated Employees of Asarco Incorporated	July 1, 2002

SCHEDULE 5

NON-DISCHARGED INSIDER CLAIMS

[*to be provided by the Debtor*]

SCHEDULE 6

SETTLED UNFUNDED ASBESTOS CLAIMS

[*to be provided by the Debtor*]

SCHEDULE 7

TOXIC TORT CLAIMS

[*to be provided by the Debtor*]

PLAN SUPPORT AGREEMENT

This PLAN SUPPORT AGREEMENT (as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof, the "Agreement") is made and entered into as of June 9, 2008 by and among ASARCO LLC, a Delaware limited liability company ("ASARCO" or the "Debtor"), on the one hand, and ASARCO Incorporated, a Delaware corporation (the "Parent"), and Americas Mining Corporation, a Delaware corporation ("AMC", and, collectively with the Parent, the "Plan Sponsor"), on the other hand. The Debtor and the Plan Sponsor are hereinafter collectively referred to as the "Parties."

W I T N E S S E T H:

WHEREAS, the Debtor is a debtor and debtor in possession in a bankruptcy case titled *In re ASARCO LLC, et al.*, Case No. 05-21207, pending in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the "Court"); and

WHEREAS, AMC is the parent company of the Parent and the Parent is the parent company of ASARCO; and

WHEREAS, the Plan Sponsor intends to sponsor a stand-alone chapter 11 plan of reorganization for the Debtor, substantially in the form annexed hereto as Exhibit A (the "Reorganization Plan").¹

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

Section 1 Transaction.

(a) Plan Sponsorship. The Debtor and the Plan Sponsor shall jointly file and prosecute the Reorganization Plan. In consideration for the Debtor's support of the Reorganization Plan, the Plan Sponsor agrees, subject to the terms and conditions set forth herein, on the Effective Date of the Reorganization Plan, to provide (i) in accordance with sections 5.7 and 7.8 of the Reorganization Plan, Cash necessary to fund the Cash component of either the Section 524(g) Asbestos Trust or the Contingent Asbestos Claims Trust, as applicable; (ii) the Cash component necessary to fund (x) the payments required by section 5.5 of the Reorganization Plan (including, for the avoidance of doubt, to fund reserves for any Claim in subclass 5-C that is not an Allowed Claim on the Effective Date) and (y), to the extent of any difference between the Debtor's Cash on hand immediately prior to the Effective Date and Cash required to fund Cash payments or establish reserves required by Article III and sections 5.1, 5.2,

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Reorganization Plan.

5.3, 5.4, 5.6, 5.7 and/or 5.8 of the Reorganization Plan, and (iii) an unsecured guaranty by AMC in an amount, not to exceed \$440 million, to the extent determined by the Court necessary to demonstrate the feasibility of the Reorganization Plan, taking into consideration ASARCO's earnings potential and cash on hand as well as the nature and extent of liabilities to be assumed or reinstated.

(b) Hedging Opportunity. The Plan Sponsor shall support ASARCO in a hedging transaction that enables ASARCO to sell up to 80% of its annual production for a fixed price for a period of up to five years, thereby relieving ASARCO of commodity pricing risk for the term of the hedge. As outlined in Schedule 1 hereto, ASARCO shall enter into a swap arrangement with a third party financial institution that will deliver to ASARCO a fixed price on an amount of its annual copper production to be agreed. The Plan Sponsor shall provide an unconditional guarantee on the hedge to satisfy any shortfalls in ASARCO's annual production in order to achieve the volume forecast to which ASARCO commits under the swap agreement. In addition, the Plan Sponsor shall provide any ongoing collateral requirements necessary under the terms of the swap agreement that ASARCO is unable to satisfy. The hedge shall be implemented, after the Debtor accepts this Agreement, as agreed with the ASARCO board of directors. For the avoidance of doubt, the closing of a hedging transaction it is not a condition to the Plan Sponsor's sponsorship of the Reorganization Plan.

(c) Plan Support. In consideration for the Plan Sponsor's sponsorship of the Reorganization Plan, the Debtor hereby agrees, on the terms and subject to the conditions set forth herein:

(i) not to object to, delay, or take any other action to interfere, directly or indirectly, in any respect with acceptance or implementation of the Reorganization Plan, nor encourage any person or entity to do any of the foregoing;

(ii) not to directly or indirectly seek, solicit, propose, file, support, encourage, or vote for any plan of reorganization other than the Reorganization Plan;

(iii) not to take any other action, including but not limited to, initiating any legal proceeding, that is materially inconsistent with, or that would prevent or delay consummation of, the Reorganization Plan; and

(iv) to use reasonable efforts to have the Reorganization Plan confirmed by the Court as expeditiously as possible.

(d) Good Faith Deposit. Within three (3) business days after the execution of this Agreement, Plan Sponsor will deposit with the Debtor by wire transfer of immediately available funds, \$500,000,000 (the "Deposit") to ensure the performance by the Plan Sponsor of its obligations under this Agreement. The Deposit shall be held in a segregated interest-bearing account until further order of the Bankruptcy Court.

Section 2 Duration of the Agreement.

The Agreement shall become effective on the date it is executed by the Debtor, *provided*, however, that if the Agreement is not executed by the Debtor on or before 5:00 p.m. (Central Daylight Time) on July 9, 2008 or such later date as agreed by the Debtor and the Plan

Sponsor (the “Expiration Date”), this Agreement shall no longer be available for acceptance by the Debtor. The Agreement will remain in effect and be irrevocable by the Plan Sponsor until the Expiration Date, unless earlier executed by the Debtor in which case the Agreement may only be terminated pursuant to Section 5 hereof.

Section 3 Representations and Warranties.

(a) The Plan Sponsor jointly and severally represents and warrants that the following statements are true, correct and complete as of the date hereof:

(i) Organization and Good Standing. Each of the Plan Sponsors is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Authorization of Agreement. Each of the Plan Sponsors has the requisite corporate power and authority to execute this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Plan Sponsor and the consummation by the Plan Sponsor of the transaction contemplated hereby has been duly authorized by the boards of directors of the Plan Sponsor and no other corporate proceedings on the part of the Plan Sponsor are necessary to authorize this Agreement or to consummate the transaction contemplated hereby. This Agreement has been duly executed and delivered by the Plan Sponsor and, assuming due execution and delivery by the Debtor of this Agreement, this Agreement constitutes a valid and binding obligation of the Plan Sponsor, enforceable against the Plan Sponsor in accordance with its terms. The Plan Sponsor is prepared to consummate this Agreement immediately upon its acceptance by the Debtor.

(iii) Due Diligence. The Plan Sponsor has completed its due diligence, and this Agreement is not subject to a due diligence condition, *provided* that the Debtor shall continue to provide information to all bidders as set forth in the order approving the plan sponsor selection process and shall cooperate with the Plan Sponsor to determine the final amount of liabilities in each category.

(iv) No Securities; No Third-Party Funding. No securities are being issued and no third-party funding is required to effectuate the Reorganization Plan.

(v) Financial Capability. The Plan Sponsor has and will have upon Confirmation of the Reorganization Plan, sufficient cash and/or credit available to consummate the transactions contemplated by this Agreement and the Reorganization Plan. Attached hereto as Schedule 2 is evidence of the Plan Sponsor’s financial capacity to consummate the transactions described in this Agreement and the Reorganization Plan and satisfy all obligations and potential obligations pursuant to this Agreement.

(vi) Capital Structure. The pro forma capitalization of the reorganized ASARCO following consummation of the Reorganization Plan is set forth in Schedule 3.

(vii) No Subsequent Sale Agreements. The reacquisition of ASARCO is made for the Parent. There are no agreements or understandings between the Parent and AMC and a third-party regarding a subsequent sale of ASARCO.

(viii) Future Officer and Director Compensation. Pending the outcome of the plan sponsor selection process, the Plan Sponsor shall not discuss directly or indirectly with any officer or director the future compensation or employment of such officer or director. The Plan Sponsor has not engaged in direct or indirect discussions with officers, directors or managers regarding future employment and compensation since the Interim Bid Procedures Order was entered.

(ix) Collective Bargaining Agreement. Pursuant to the Reorganization Plan, the Plan Sponsor intends to maintain the current collective bargaining agreements with such modifications as are mutually agreed with the Unions; *provided*, however, that if the Unions withhold their consent to this Agreement and/or to the Reorganization Plan, the Plan Sponsors reserve all rights and remedies.

(x) Compensation of Retained Employees. Pursuant to the Reorganization Plan, the Plan Sponsor shall maintain the same compensation and benefits (including salary) of all employees of the Debtor who are employed on the Effective Date, including those actively at work or on vacation, leave of absence or other approved absence from work and individuals who have received offers of employment but have not reported to work (the "Retained Employees") as was provided to the Retained Employees prior to the Effective Date, subject to management's authority to make adjustments to wages and benefits in the ordinary course as necessary to address the needs of the business and market conditions to the extent consistent with legal obligations, including pursuant to a collective bargaining agreement, for the two year period following the Effective Date of the Reorganization Plan.

(xi) Benefit Plans. Pursuant to the Reorganization Plan, the Plan Sponsor agrees to maintain the Retirement Benefit Plan For Salaried Employees of ASARCO Incorporated - Amended and Restated Effective as of July 1, 2002, and the Retirement Income Plan for Hourly-Rated Employees of ASARCO Incorporated - Amended and Restated Effective as of July 1, 2002, without modification.

(xii) No Violation; Consents. The execution and delivery by the Plan Sponsor of this Agreement and the consummation of the transactions contemplated hereby do not and will not (1) violate any provision of the organizational documents of the Plan Sponsor, (2) violate any Order of any governmental authority to which the Plan Sponsor is bound or subject, or (3) violate any applicable law, other than, in the case of clauses (2) and (3), any conflict, violation, breach, default, requirement for consents, rights of acceleration, cancellation, termination or lien that would not reasonably be expected to prevent, impede or materially delay or otherwise affect in any material respect the transactions contemplated by this Agreement.

(xiii) No Third-Party Approvals Required. No regulatory or other third-party approvals, consents or filings are required to be obtained or made by the Plan

Sponsor in order to consummate this Agreement, except for any such requirements, the failure of which to be obtained or made would not reasonably be expected to prevent, impede or materially delay or otherwise affect in any material respect the transactions contemplated by this Agreement.

(xiv) Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending against, being contemplated by or, to the knowledge of the Plan Sponsor, threatened against the Plan Sponsor.

(xv) Confidentiality. The Plan Sponsor (a) agrees not to discuss directly or indirectly with any officer or director of the Debtor, the future compensation or employment of such officer or director, and (b) represents that no direct or indirect discussions have taken place with officers, directors or managers regarding future employment and compensation since the Interim Bid Procedures Order was entered.

(xvi) Representation by Counsel. The Plan Sponsor acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

(b) The Debtor represents and warrants that the following statements are true, correct and complete as of the date it executes this Agreement:

(i) Organization and Good Standing. The Debtor is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

(ii) Authorization of Agreement. The Debtor has the requisite limited liability company power and authority to execute this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Debtor and the consummation by the Debtor of the transaction contemplated hereby has been duly authorized by the Board of Directors of the Debtor and no other limited liability company proceedings on the part of the Debtor are necessary to authorize this Agreement or to consummate the transaction contemplated hereby. This Agreement has been duly executed and delivered by the Debtor and, assuming due execution and delivery by the Plan Sponsor, this Agreement constitutes a valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms.

(iii) No Violation; Consents. The execution and delivery by the Debtor of this Agreement and the consummation of the transactions contemplated hereby do not and will not (1) violate any provision of the organizational documents of the Debtor, (2) violate any Order of any governmental authority to which the Debtor is bound or subject, or (3) violate any applicable law, other than, in the case of clauses (2) and (3), any conflict, violation, breach, default, requirement for consents, rights of acceleration, cancellation, termination or lien that would not reasonably be expected to prevent, impede or materially delay or otherwise affect in any material respect the transactions contemplated by this Agreement;

(iv) No Third-Party Approvals Required. Other than approval of the Court, no order or permit issued by, or declaration or filing with, or notification to, or

waiver from any governmental authority is required on the part of the Debtor in connection with the execution and delivery of this Agreement, or the compliance or performance by the Debtor with any provision contained in this Agreement, except for any such requirements, the failure of which to be obtained or made would not reasonably be expected to prevent, impede or materially delay or otherwise affect in any material respect the transactions contemplated by this Agreement.

(v) Representation by Counsel. The Debtor acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

Section 4 **Covenants.**

(a) Access to Information. The Debtor covenants and agrees that prior to the effective date of the Reorganization Plan and prior to termination of this Agreement, pursuant to Section 5 hereof, the Debtor will permit the Plan Sponsor and its representatives (including UBS) to have reasonable access, during normal business hours and upon reasonable advance notice, to the books and records and senior management personnel of the Debtor pertaining to the Agreement. The Parties shall cooperate to resolve issues where such disclosure would result in violation of applicable law or would jeopardize any privilege available to the Debtor or any of its affiliates relating to such information or would cause the Debtor or any of its affiliates to breach a confidentiality obligation to which they are bound. In connection with such access, the Plan Sponsor's representatives shall cooperate with Debtor's representatives and shall use their best efforts to minimize any disruption of business. The Plan Sponsor shall indemnify, defend and hold harmless the Debtor, the Debtor's officers, directors, employees and agents from and against any and all liabilities asserted against or suffered by them relating to, resulting from, or arising out of, examinations or inspections made by Plan Sponsor or its representatives pursuant to this Section 4(a).

(b) Notice; Settlements. The Debtor covenants and agrees that prior to the effective date of the Reorganization Plan and prior to termination of this Agreement, pursuant to Section 5 hereof, the Debtor will (i) keep the Plan Sponsor apprised of any settlement discussions, negotiations or meetings related to the Reorganization Plan, and (ii) will not enter into a settlement of any Claim against the Debtor where the asserted amount of such Claim is \$10 million or more, without the prior consent of the Plan Sponsor.

(c) Conduct of Business Pending the Consummation of Plan. The Debtor agrees that prior to the effective date of the Reorganization Plan and prior to termination of this Agreement, pursuant to Section 5 hereof, unless otherwise expressly permitted by this Agreement, the Debtor shall use commercially reasonable efforts to conduct business in all material respects in the ordinary course of business.

(d) Cooperation; Consents and Filings.

(i) From and after the date hereof until the effective date of the Reorganization Plan and prior to termination of this Agreement, pursuant to Section 5 hereof, unless otherwise expressly permitted by this Agreement, the Parties will each cooperate with each other and use (and will cause their respective representatives to use)

commercially reasonable efforts (1) to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary, proper or advisable on their part under this Agreement, applicable law or otherwise to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable; (2) to obtain promptly from any person or governmental authority any consent, order or permit required to be obtained by the Parties or any of their respective affiliates in connection with the authorization, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby and thereby; (3) to promptly make all necessary filings and thereafter make any other required submissions with respect to this Agreement and prompt consummation of the transactions contemplated hereby and thereby required under any applicable law, including, without limitation, the Disclosure Statement, the Reorganization Plan, all documents, instruments and pleadings necessary for the approval of the Disclosure Statement and confirmation of the Reorganization Plan; and (4) to provide prompt notification to the other Party hereto of any actions pursuant to clauses (1) – (3) of this Section 4(d). In addition, no party shall take any action after the date hereof (other than any action required to be taken under this Agreement or to which the other parties shall have granted their consent) that could reasonably be expected to materially delay the obtaining of, or result in not obtaining, any consent, order, permit, qualification, exemption or waiver from any governmental authority or other person required to be obtained prior to the effective date of the Reorganization Plan; including, without limitation, the Disclosure Statement, the Reorganization Plan, all documents, instruments and pleadings necessary for the approval of the Disclosure Statement and confirmation of the Reorganization Plan.

(ii) To the extent permitted by applicable law and subject to any limitations on access to information provided for in Section 4(a), each party shall consult with the other parties with respect to, and provide any information reasonably requested by the other party in connection with, all material filings made with the Court or any governmental authority in connection with this Agreement and the transactions contemplated hereby. If any party or any of its affiliates receives a request for information or documentary material from any governmental authority with respect to this Agreement or any of the transactions contemplated hereby, then such party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and, to the extent permitted by applicable law, after consultation with the other parties, an appropriate response in compliance with such request.

(e) Confidentiality. The parties acknowledge that the Plan Sponsor and the Debtor previously executed a confidentiality agreement, dated June 8, 2007 (the “Confidentiality Agreement”), which Confidentiality Agreement shall continue in full force and effect in accordance with its terms and shall survive the execution and delivery of (and any termination of) this Agreement. The Plan Sponsor agrees that this Agreement, and the terms and conditions of the transactions contemplated hereby and thereby shall be considered Evaluation Material as defined in, and subject to the terms of, the Confidentiality Agreement.

(f) Litigation Matters. The Parties covenant and agree that, from and after the date on which the Debtor executed this Agreement until the termination of this Agreement pursuant to Section 5, the adversary proceedings, appeals and other litigation described on

Schedule 5 to the Reorganization Plan (the "Litigation Matters") shall be abated, and the Parties shall jointly notify the judge before which each Litigation Matter is pending of such agreement to abate.

(g) Bankruptcy Matters. The Parties shall use commercially reasonable efforts to cooperate, negotiate, assist and consult with each other to secure the entry of the order confirming the Reorganization Plan following the date hereof, and to consummate the transactions contemplated by this Agreement, including, without limitation, the Reorganization Plan, all documents, instruments and pleadings necessary for the approval of a disclosure statement regarding the Reorganization Plan and confirmation of the Reorganization Plan. In the event that any order of the Court relating to this Agreement shall be appealed by any person (or a petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to any such order), the Parties will cooperate in taking such steps to diligently defend against such appeal, petition or motion and the Parties shall use their commercially reasonable efforts to obtain an expedited resolution of any such appeal, petition or motion. The Parties shall not, without the prior written consent of the other parties, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to a sale or plan of reorganization, other than the Reorganization Plan.

Section 5 Termination. This Agreement shall terminate and the obligations of the Parties shall thereupon terminate and be of no further force and effect upon the occurrence of the earlier of the following events (each, a "Termination Event"):

(i) The Debtor or the Plan Sponsor (a) shall fail to comply with any of their obligations under this Agreement, including, without, limitation, those set forth in Section 1 hereof, or (b) withdraw (or move to withdraw) the Reorganization Plan;

(ii) The Reorganization Plan has not been filed with the Court on or before the date that is ___ [**to be suggested by Debtor**] days after the date upon which this Agreement is executed;

(iii) The Reorganization Plan has not have been confirmed by the Court on or before the date that is ___ [**to be suggested by Debtor**] days after the date upon which this Agreement is executed;

(iv) The order confirming the Reorganization Plan fails to become a Final Order on or before the date that is ___ [**to be suggested by Debtor**] days after the date upon which this Agreement is executed; *provided*, that the requirement for finality shall be waived as to any appeal as to which the appellant fails to obtain a stay pending appeal of the confirmation order; or

(v) Any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, or prohibiting the Reorganization Plan in a way that cannot be reasonably remedied or otherwise grants relief to any party that is materially inconsistent with the Reorganization Plan or this Agreement.

For the avoidance of doubt, if no agreement is achieved between the Unions and the Plan Sponsor, the occurrence and continuance of a labor strike shall not give rise to a Termination Event and shall not constitute a reason for the Plan Sponsor to refuse to consummate its obligations hereunder.

Section 6 **Amendments.** This Agreement may not be modified, amended, or supplemented, except in a writing signed by all Parties.

Section 7 **Governing Law; Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the applicable principles of conflict of laws.

Section 8 **Notices.** All demands, notices, requests, consents, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, telecopy, facsimile, or if duly deposited in the mails, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, as follows:

If to the Debtor, to:

ASARCO LLC
1150 North 7th Avenue
Tucson, Arizona 85705-6606
Attention: Joseph F. Lapinsky
Telephone: (520) 798-7728
Facsimile: (520) 798-7781

With a copy to:

Baker Botts L.L.P.
2001 Ross Avenue Suite 800
Dallas, Texas 75201
Attention: Jack Kinzie, Esq.
Telephone: (214) 953-6727
Facsimile: (214) 661-4727

If to Plan Sponsor to:

Americas Mining Corporation and
ASARCO Incorporated
Attn: Jorge Lazalde Psihas
11811 North Tatum Blvd.
Suite 2500
Phoenix, AZ 85028

With a copy to:

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, NY 10005-1413
Attn: Luc A. Despins, Esq.
Robert E. Winter, Esq.
Telephone: (212) 530-5660
Facsimile: (212) 822-5660

Section 9 Reservation of Rights. This Agreement is part of a proposed settlement of all disputes among the Parties. Except as expressly provided in this Agreement or the Reorganization Plan, nothing therein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of the Parties to protect and preserve their respective rights, remedies, and interests, including, without limitation, any claims against any other Party. If the transactions contemplated herein or in the Reorganization Plan are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their respective rights and remedies. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto, shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

Section 10 Entire Agreement. This Agreement, together with the Reorganization Plan, constitute the entire understanding and agreement among the Parties with regard to the subject matter hereof, and supersedes all prior agreements with respect thereto.

Section 11 Headings. The headings of the paragraphs and subparagraphs of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

Section 12 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective permitted successors and assigns.

Section 13 Specific Performance. Each Party hereto recognizes and acknowledges that a breach by it of any covenant or agreement contained in this Agreement may cause the other Parties to sustain damages for which such Parties would not have an adequate remedy at law, and therefore each Party hereto agrees that in the event of any such breach the other Parties shall be entitled to seek the remedy of specific performance of such covenant and agreement and injunctive and other equitable relief in addition to any other remedy to which such Parties may be entitled, at law or in equity.

Section 14 Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

Section 15 No Waiver. The failure of any Party to exercise any right, power, or remedy provided under this Agreement or otherwise available to it at law or in equity, or to insist upon compliance by any other Party with its obligations hereunder, and any custom or practice of the Parties at variance with the terms hereof, shall not constitute a waiver by such Party of its right to exercise any such or other right, power, or remedy or to demand such compliance.

Section 16 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed signature page of this Agreement by telecopier or facsimile shall be as effective as delivery of a manually executed signature page of this Agreement.

Section 17 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the Parties hereto.

Section 18 No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

[Signature Page Follows]

DEBTOR:

ASARCO LLC, a Delaware limited liability company


Executed on: _____

By: _____
Name:
Title:

PLAN SPONSOR:

ASARCO INCORPORATED, a Delaware corporation

Executed on: JUN - 9 - 2008

By: 
Name: JAIMIE COLLAZO
Title:

Executed on: _____

By: _____
Name:
Title:

AMERICAS MINING CORPORATION, a Delaware corporation

Executed on: _____

By: 
Name:
Title:

Executed on: _____

By: _____
Name:
Title:

DEBTOR:

ASARCO LLC, a Delaware limited liability company

Executed on: _____

By: _____
Name:
Title:

PLAN SPONSOR:

ASARCO INCORPORATED, a Delaware corporation

Executed on: _____

By: _____
Name: 
Title:

Executed on: _____

By: _____
Name:
Title:

AMERICAS MINING CORPORATION, a Delaware corporation

Executed on: _____

By: _____
Name: 
Title:

Executed on: _____

By: _____
Name:
Title:

EXHIBIT A

PLAN OF REORGANIZATION

SCHEDULE 1

HEDGING OPPORTUNITY

SCHEDULE 2

AMC FINANCIAL STATEMENTS

SCHEDULE 3

PRO FORMA CAPITALIZATION OF REORGANIZED ASARCO