

Miner BHP commits to Brazil clean-up as huge lawsuit looms

November 30 2015



The Rio Doce, pictured on November 23, 2015, is seen flooded with mud and waste water after a dam owned by Vale SA and BHP Billiton burst early this month

BHP Billiton renewed its commitment Monday to do all it can to help following the deadly collapse of a waste water dam in Brazil, with the mining giant and partner Vale facing a huge lawsuit.

The Brazilian government announced on Friday plans to sue the two companies for \$5.2 billion in clean-up costs and damages after the November 5 collapse of the dam at the Samarco iron ore mine.

BHP said in a statement it was aware of the development but had so far received no formal notice.

The world's biggest miner added that "BHP Billiton confirms its commitment to supporting Samarco to rebuild the community and restore the environment affected by the breach of the dams".

Brazilian Environment Minister Izabella Teixeira said a lawsuit would be filed demanding the companies and mine operator Samarco, which they co-own, create a fund of 20 billion reais (\$5.2 billion). The money would go to environmental recovery and compensation for victims.

On Friday, BHP and Vale announced their own fund for "the rescue and recuperation of the Rio Doce river system", but did not give figures.

"The aim is to seek additional financial support from other private, public and non-government organisations. The initial value is still being defined," said BHP.

The miner said in its statement Monday that 13 people died and six remained missing from the flood of mud and waste water triggered by the breaking dam at the mine near Mariana in southeastern Brazil. Earlier reports said 11 were missing.



The Doce River, pictured on November 24, 2015, is seen flooded with mud and waste water after a dam owned by Vale SA and BHP Billiton burst early this month

The deluge swept down the River Doce to the Atlantic, sparking claims of major contamination, although the mining companies insist there is no serious pollution.

"Samarco reports that analysis by SGS Geosol, a company specialising in environmental geochemistry, has confirmed that the tailings are composed of materials that are not hazardous to human health, based on the hazard classification of the material under Brazilian standards," said BHP.

But it did acknowledge that "a large number of fish died due to reduced oxygen uptake" with a full assessment ongoing.

Last week the United Nations blasted Brazil's government, along with BHP and Vale, for a failure to respond to what it said was "the risk of exposure to toxic chemicals."



Survivors sit on the side of the road after a dam burst in the village of Bento Rodrigues, in Mariana, the southeastern Brazilian state of Minas Gerais on November 5, 2015

Most of the village of Bento Rodrigues was flattened in the deluge, with hundreds of people affected.

BHP said it was continuing to move those displaced from temporary accommodation to rented housing with relocation expected to be completed by February.

The Anglo-Australian behemoth added that clean-up work was underway, focusing on access roads, housing and bridge repairs.

BHP's shares have slumped from Aus\$23.50 at the time of the disaster and they plunged another 3.62 percent on the back of the lawsuit Monday, closing at Aus\$18.09.

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