

Brazilian tailings dam disaster ends a poor week for the mining sector

A poor week for the mining sector has been concluded by the sad news of the Brazilian tailings disaster, where two tailings ponds at an iron ore mine belonging to BHP – VALE burst, flooding the surrounding area and sadly, resulting in around 20 deaths in a nearby town.

The mining sector had another poor week, culminating with the the price of gold falling due to the anticipated US interest rate rise in December, as a result of the favourable US job numbers.

As if this wasn't bad enough for the mining sector, news then emanated from Brazil that the Samarco iron ore mine belonging to BHP and VALE had suffered a serious tailings dam breach, releasing a tidal wave of sludge and water that had deluged local towns, and resulted in the deaths and disappearance of "dozens" of people.

The cause of the breach is not known at this stage, but localised earth tremors just before the breach are being suggested as a possible cause.

With the news of a US interest rate rise being a more or less slam dunk in December forcing down the price of gold, the news of the Brazilian disaster was the last thing the mining sector needed.

