

## Cost to rehabilitate Kakadu uranium mine site could blow out by \$1.2bn

*Ranger mine site repair by Energy Resources of Australia/Rio Tinto will now take until 2028, two years past deadline*



*ERA's Ranger uranium mine, inside Kakadu national park in the Northern Territory.*

**Cait Kelly**

Thu 3 Feb 2022

The cost of rehabilitating a decommissioned uranium mine in Kakadu national park could blow out by \$1.2bn, in what is becoming the single largest repair exercise in the history of Australian mining.

Former uranium miner Energy Resources of Australia shut down the mine last January and since then has been racing against the clock to complete the work before the 2026 deadline.

ERA severely underestimated the cost of rehabilitation, initially putting a \$973m price tag on the project.

But on Wednesday the company announced it would cost between \$1.6bn and \$2.2bn to repair the mine site.

Mirarr senior traditional owner Yvonne Margarula welcomed greater certainty of the true cost of Ranger's clean-up.

"Ranger has operated on our country for over 40 years. I have been waiting for this nearly all my life," Margarula said.

“ERA and Rio Tinto promise me that everything will be cleaned up properly, but I am worried that the government has forgotten that it put this mine here in the first place.

“This is going to cost someone a lot more money now and we need to know the government has not forgotten its promises to Aboriginal people.”

The timing of the project has also blown out, as ERA announced the project would now take until 2028 – two years longer than it is legally allowed.

ERA’s lease stipulates it must complete the clean-up by 2026, a condition that is backed by the Atomic Energy Act 1953.

In a statement to the ASX the company said it would work with the government to try to change the legislation – a proposal that has the support of The Gundjeihmi Aboriginal Corporation, which represents the traditional owners.

“ERA has been engaging with government and key stakeholders to amend the [Act] and extend the expiry date of ERA’s tenure on the Ranger Project Area,” the statement said.

In light of the blowout, ERA said it was “currently reviewing all available funding options to ensure that the increased forecast cost of the rehabilitation of the Ranger Project Area will be adequately funded.”

In a statement ERA’s parent company, Rio Tinto, said it is “committed to working with [ERA] to ensure the rehabilitation of the Ranger Project Area is successfully achieved to a standard that will establish an environment similar to the adjacent Kakadu national park”.

CEO of GAC, Justin O’Brien, said the Australian government must now expedite passage of legislative amendments to provide ERA with continued access to the Ranger site beyond January 2026.

“Not enough has been done to fix the unrealistic schedule set by federal legislation for rehabilitation.

“We refused to support ministerial approval of the 2020 version Ranger Mine Closure Plan for this reason. In 2021, ERA failed to meet its first deadline in Jabiru, causing an avoidable housing shortage with which the local community continues to struggle.

“We cannot have a repeat of that with Ranger.”

O’Brien added the announcement is a realistic acknowledgment that the era of uranium mining at Kakadu national park is at an end.

“With all mining ceased at Kakadu forever, the world is now watching Australia to see if rehabilitation can be successfully secured,” O’Brien said.