



REPUBLIC OF GHANA

MINISTRY  
OF  
LANDS AND NATURAL  
RESOURCES

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DIGITAL ADDRESS: GA-110-0371

KINDLY QUOTE THIS NUMBER AND DATE ON ALL CORRESPONDENCE

MY REF. NO. \_\_\_\_\_

YOUR REF. NO. \_\_\_\_\_

DATE \_\_\_\_\_

7<sup>th</sup> February, 2022

**PRESS RELEASE**

**APPIATSE INCIDENT – IMPOSITION OF FINE ON MAXAM CO. LTD.**

On Thursday, 20<sup>th</sup> January 2022, a truck transporting explosive materials – Ammonium Nitrate and Fuel Oil (ANFO) – from MAXAM Ghana Limited's explosives plant, located at Iduapriem, Tarkwa in the Western Region, to Chirano Gold Mines Limited's site in the Western North Region, exploded, causing extensive damage to life and property. Thirteen (13) persons are reported to have died from the incident, with some one hundred (100) people injured, with several others rendered homeless due to the impact of the explosion which brought down, or structurally weakened, almost all houses in the community.

The conveyance, storage, possession, manufacture and use of explosives for mining, quarrying and civil works, as well as substances used for the manufacture of explosives, are governed by law, particularly, the Minerals and Mining Act, 2006 (Act 703) and the Minerals and Mining (Explosives) Regulations, 2012 (L.I. 2177). Amongst its requirements, companies involved in the manufacture, supply and/or transportation of explosives must be registered with the Minerals Commission, and must acquire the necessary permits and licenses. They are also required to ensure that no person is involved in any dealings with explosives without the requisite business licenses.

Only authorised vehicles must be used for the transportation of explosives, and must be clearly marked to show that they are transporting explosives. The vehicle must be accompanied by a competent person certified by the Chief Inspector of Mines, and a police escort. The vehicle should not drive at a top speed of more than sixty kilometres per hour (60km/h), and should not stop or park except to obey traffic regulations, or avoid an accident. In other words, health and safety protocols are to be adhered to strictly.

Following the incident, the Minerals Commission, the regulator of the mining industry, conducted its investigations, in accordance with the Minerals and Mining (Explosives) Regulations, 2012 (L.I. 2177), and submitted its report to me.

Given the complexity of the matter, I constituted a three-member Committee, chaired by a highly reputable former Chief Executive Officer of the Minerals Commission, Mr. Benjamin Aryee, to carry out independent investigations to corroborate, or otherwise, the findings of the Minerals Commission.

On Tuesday, February 1, 2022, the three-member Committee submitted its report. Upon a review of the two reports, the Ministry has established regulatory breaches on the part of Maxam Ghana Limited (hereinafter referred to as "Maxam"), in respect of the manufacture, storage and transportation of explosives for mining and other civil works. These breaches, per L.I. 2177, attract fines ranging from six hundred cedis (GH¢600.00) to ten thousand United States dollars (US\$10,000).

Nonetheless, having regard to the nature and totality of the circumstances leading to this tragic incident, I, as the Minister responsible for Lands and Natural Resources, and, therefore, the overseer of activities in the sector, have imposed an administrative fine of the cedi equivalent of one million United States dollars (US\$1,000,000.00), at the prevailing commercial rate, on Maxam. In addition to the fine, it has been agreed, after extensive discussions with Maxam, that the company will pay to the Government, the cedi equivalent of five million United States dollars (US\$5,000,000.00) also at the prevailing commercial rate. For the avoidance of doubt, the total amount payable by Maxam to the Government stands at six million United States dollars (US\$6,000,000.00) or its cedi equivalent at the prevailing commercial rate.

Maxam shall pay the fine of one million United States dollars (US\$1,000,000.00) or its cedi equivalent at the prevailing commercial rate before the restoration of its permit to manufacture, store, supply and/or transport explosives.

Given the demonstrable cash inflows of Maxam and their current circumstances, the remaining five million United States dollars (US\$5,000,000.00) shall be paid in eighteen (18) equal monthly instalments, beginning from 1<sup>st</sup> March, 2022 to 1<sup>st</sup> August, 2023.

Maxam shall, therefore, pay to Government, on 1<sup>st</sup> March, 2022 and on every first day of each month, until final payment, an amount of two hundred and seventy-seven thousand, seven hundred and seventy-seven United States dollars and seventy-eight cents (USD277,777.78) or its cedi equivalent at the prevailing commercial rate.

The imposition of the fine and agreed sum to be paid, is without prejudice to any criminal or civil liability Maxam may be subject to.

Again, the Ministry has given Maxam a set of measures to comply with, as a condition precedent to the restoration of the permit of the company to manufacture, store, transport and/or supply explosives. These measures are:

1. Maxam shall not transport explosives on a public road, unless notice of the transportation has been given to the Chief Inspector of Mines or the Regional Mines Inspector, at least, forty-eight (48) hours before the scheduled time for transportation, to enable the requisite inspection and certification to be carried out before the transportation of the explosives to a mine or quarry site.
2. An Inspector of Mines/Explosives shall be present, inspect, verify and record in the designated explosives log book for transportation, that all the requisite safety requirements, rules and protocols have been met before explosives are transported from the operational site of the company to a mine or quarry site.
3. An Inspector of Mines/Explosives shall physically inspect the explosives truck to ensure that the explosives truck is in good working condition, in accordance with the truck examination list, and that the truck driver has a professional driver's license to drive the vehicle before the loading of the explosives into the truck.
4. All trucks used by the company in carting explosives shall have:
  - a. A red flashing light clearly visible at least hundred (100) meters away;
  - b. A klaxon or siren, hooter or automatically operated bell;
  - c. An automatic fire suppression system alongside the fire extinguishers;

- d. A tracking system to monitor the speed and movement of the explosives truck;
  - e. An integrated monitoring system to check driver fatigue;
  - f. A megaphone to warn people or bystanders in case of danger; and
  - g. Drive cameras to monitor the explosives' truck drivers.
5. Before each explosives' truck takes off from the operational site of the company, the waybill for the transportation shall be endorsed by an Inspector of Mines/Explosives who shall be satisfied that the explosives are under the direct control of a person who has a certificate of competence, in accordance with regulation 15 (2) of L.I.2177.
6. All trucks transporting explosives must be accompanied by escort vehicles which shall be inspected by an Inspector of Mines, and all the details recorded in the Inspector's Field Book.
7. Escort vehicles must have:
  - a. A red flashing light clearly visible at least Fifty (50) meters away; and
  - b. A klaxon or siren or hooter or automatically operated bell.
8. The transportation of explosives on public roads shall have two (2) Escorts: one (1) leading the explosives truck and maintaining a distance of at least fifty metres (50m) and at most sixty metres (60m) from the vehicle carrying the explosives, with a Uniformed and Armed Police Officer, and the other behind the explosives truck and maintaining a distance of at least twenty metres (20m) and at most thirty metres (30m), with an unarmed but Uniformed Police Officer.
9. Competent persons accompanying explosives trucks shall notify the Regional Inspector of Mines in the Region upon arriving at their destinations and indicate the arrival times in a designated log book for that purpose.

10. The company shall not, unless otherwise expressly permitted by the Chief Inspector of Explosives, transport Ammonium Nitrate and Fuel Oil (ANFO) on a public road to a mine or civil work site.
11. A person who drives an escort vehicle shall not drive faster than sixty (60) kilometres per hour.
12. Competent persons accompanying explosives shall be trained in the Code of Safe Working Practice (Code of Safe Operating Procedure) for transportation of Explosives along Public Roads and shall carry the code with them.
13. The Explosives Manager shall develop the Code of Safe Working Practice and the code shall be approved by an Inspector (Regulation 515 of L.I. 2182 and Regulation 11 of L.I. 2177).
14. The transportation of Ammonium Nitrate from or to the operational site of a registered mine support service company with the requisite permits or to a mine site shall be regulated by L.I. 2177.

For the avoidance of doubt, the above set out measures will apply, fully, to all other companies operating in Ghana in the manufacture, supply, transportation, and use of explosives.

Regulatory breaches and possible sanctions against Jocyderk Logistics Limited and Arthanns Enterprise and Transport Services, the two entities involved in this tragic incident, are being reviewed, and will be applied and communicated in due course. Additionally, the conduct of officials of the Minerals Commission and/or related officials in the matter are being reviewed, and further action will be taken where necessary.

The Ministry of Lands and Natural Resources, is putting in place all these measures to ensure that mining and mine support services, are conducted in a safe and healthy environment that poses no danger to life and/or property. In this regard, I have, on Monday, 7<sup>th</sup> February, 2022, established a Ministerial Committee of Inquiry under the chairmanship of Prof. Richard Amankwah, Vice Chancellor of the George Paa Grant University of Mines and Technology, Tarkwa, to:

1. undertake a general review of the health and safety regime in the mining industry;
2. review the existing laws, regulations, and guidelines on health and safety standards in the mining industry;
3. inquire into any matter relating to health and safety in the mining industry; and
4. make recommendations to Government for legislative, policy, and other reforms it may deem fit.

The Committee has one (1) month from Monday, 7<sup>th</sup> February, 2022, to present its report, and submit its recommendations to Government for reforms.

Government assures the country that it will continue to take the appropriate measures to ensure health and safety in the mining and mine support services industry.



**END**

**SIGNED**

**HON. SAMUEL A. JINAPOR, MP  
MINISTER**