

Questioning Klondike's Responsibility for Damage to Idaho Peak Road

A kind friend sent us a copy of a June 15, 2020 Facebook post (see attachment), by Wanda Palmer speaking on behalf of Klondike Silver, trying to deny liability for their negligence that contributed to the mass destruction of the Idaho Peak Road on May 31, 2020. Ms. Palmer is trying to hide the dubious role her family members play as “caretakers” of Klondike, a questionable Vancouver based stock promotion company. This is a discussion that needs to be public because it concerns all of us in the New Denver area, including the 10,000 visitors that enjoy Idaho Peak each summer.

The Palmers want you to believe that Klondike is not responsible for maintaining the 2km section of Idaho Peak Road that they use (abuse) and that they had no role in this environmental disaster. Not true.

Klondike is the primary user of this section of road. All mines, whether operational or in a “care and maintenance” state, are certainly responsible to properly maintain ditches, culverts and roads that they use. Klondike's Leonard Palmer has done tremendous damage to the Sandon area roads during his time here. Incompetent careless snow plowing has ripped up the roads each winter. Countless deep gouges of up to 2 feet deep are noted each spring. Ditches are carelessly destroyed and slopes are undermined causing sloughing and further blocking of ditches. These once well maintained roads are a disgraceful mess and the Palmers are not motivated or capable of maintaining, fixing or even caring for them—except when they are caught with their pants down.

The Ministry of Forests has noted the damage done by Klondike on and surrounding the Idaho Peak Road. So have many caring locals. EMPR (Ministry of Energy, Mines and Petroleum Resources) has been alerted to the obvious negligence each year (for many years) but it falls on deaf ears. Klondike continues to destroy this once reputable mining site, including the Idaho Peak road, and EMPR shamefully turns a blind eye.

It is a fact that emergency storm warnings were well posted prior to the May 31, 2020 extreme weather event. A competent mine manager would know that around the clock patrolling of the culverts and creeks is essential during events like this. It is shocking that the Palmers never even made an appearance at Sandon until long after the disaster was over. “Care and maintenance”? This shameful disaster was preventable. EMPR and its smelly relationship with Klondike needs to be investigated and exposed for all of us to see. Questions need to be answered by the Ministerial office of EMPR. Be sure to demand an explanation.

My observations and opinions are not inappropriate. I am very familiar with the site and the cause of this disaster because I worked for Kam-Kotia, Silvana, Dickenson and Treminco (former mine owners) as their primary road maintainer for many years. I was always expected to maintain the ditches and culverts properly, including the portions of the Idaho Peak Road that they used. I remember numerous times during the spring melt that I would be patrolling and cleaning culverts in the dark. The former management understood their obligations and always expected us to stay

on top of it. Equipment was kept in readiness so that water could be quickly and safely diverted in the case of a blocked culvert. This is not the case with Klondike.

I personally recall 3 different wooden bridges that once spanned Tributary Creek where the recent Klondike disaster originated. They were destroyed by debris flows and avalanches. The Ministry of Forests then opted for culverts. The first was destroyed by a debris flow. It would appear that this recent disaster was a result of a similar cause. This was predictable given its history. Every experienced road builder knows that a culvert must be installed in a way that allows the creek to cut a channel alongside the culvert in the event that it plugs. A small amount of road will be lost in the worst case scenario. We always shaped the road below this culvert in a way that the creek could not just flow down the road unrestrained in the event of an emergency. Furthermore, a protective berm could have easily been put in place to prevent this kind of disaster. An emergency ditch could have been created in a matter of minutes. Klondike's representatives appear glaringly incompetent. Is this what we expect of a "mine manager"? Is Klondike's strategy for dodging liability to exploit incompetent local "management" in order to create a convenient fall guy?

It is really vulgar to hear Wanda Palmer, Frank Barnes, et al making accusations that my son and I destroyed Sandon by taking action to attend to the emergency that we faced on May 31 & June 1, 2020. Is this their lame attempt to deflect attention away from their negligence?

Alexander and I did our best to minimize the destruction of Sandon while the creeks went wild. We were well prepared, and we didn't let up until the disaster ended. We did this at our own expense. I can proudly say with certainty that everything important in Sandon, including the museum, survived with relatively little damage. Our calls for help from Klondike and the Historical Society fell on deaf ears. Klondike people were nowhere to be found. Frank Barnes drove up and down the road all day in his self-important way. The best he could do was to give us the finger. Nice guy!

Offers of genuine help began pouring in from local contractors and caring individuals as the disaster unfolded. For this we were extremely grateful. The shameful non-response and negligence of Klondike, the Palmers, the illegally operated historical society, and their brainwashed supporters will remain a sad part of Sandon's history—forever.

The Klondike disaster brings to light many glaring questions. Here are 10 to consider carefully.

1. Why is EMPR allowing a stock promotor from Vancouver to carry on with such shady and neglectful practices in a site with so many known hazards and complications?
2. Why is EMPR allowing lower standards for Klondike than previous operators?
3. Why does EMPR refuse to answer questions regarding Klondikes bonding, insurance, responsibilities and requirements?
4. Why is there apparently only \$150,000 in bonding posted by Klondike when disasters like this can cost millions of

dollars and result in enormous environmental and economic damage (déjà vu Mount Polley)?

5. When the disaster caused the creek to divert (for several days) through a contaminated mill yard, why was this not reported to the communities downstream? Was this less important than the Lemon Creek spill, for example?
6. Why was the mill site land title allowed to forfeit to the Crown due to failure of the owners to pay land taxes? EMPR knows this was a planned liability dodge.
7. Why is Leonard Palmer permitted to pretend he is a “mine manager” in BC when he was cited in the courts of the Northwest Territories for negligence, incompetence and lying? EMPR knows this sordid history and yet they turn a blind eye.
8. Who is going to pay for this disaster? Is a \$150,000 bond going to cover a fraction of the costs? Are the Palmers going to pay? Is Tom Kennedy, the Vancouver lawyer and promotor of Klondike going to pay? The financial and environmental damage is substantial. Who is going to pay the bill for repairing the Idaho Peak Road?
9. Why are legitimate mine operators held to high standards while shady stock promotors can apparently get away with anything?
10. Why is EMPR so lax and unaccountable?

British Columbians (those who care) need to demand our politicians to challenge the shady practices of Klondike and EMPR. Who is going to pay for this mess?

Most concerned,



Hal Wright
Long-time resident, land owner and business owner
Sandon BC

PS: I appreciate and support mining but I am appalled by the damage ruthless stock promotors do to the reputation of this essential industry. Citizens and government need to understand the difference between real miners and cheaters and demand accountability.