

In response to comments received, CC&V contracted with Paul Rochette of David Bamberger Assoc. to review housing prices and determine if mining operations might impact values. The Executive Summary of that report is:

*Executive Summary*

*This study was completed at the request of Cripple Creek & Victor Gold Mining Company (CC&V) in response to concerns on the impacts on existing home prices should the open pit operations of the Cripple Creek & Victor Gold Mining Company move closer and become more visible to the City of Cripple Creek as part of the Ming Life Extension (MLE) of the Cresson Project*

*In Summary:*

*-The study concludes that the overall impact from the MLE to the surrounding housing market will be negligible.*

*-Closure of the Cresson Project (no MLE) will significantly negatively impact local housing prices due to loss of jobs and exodus of employees from CC&V.*

*-The Wharf mine expansion in South Dakota was adjacent to and moved towards two non-mining housing subdivisions, with no impact to housing prices or rates of transactions.*

*-The Homestake Mine closure in South Dakota in 1997 resulted in a downward adjustment in appraised values of 5% to 30% depending on age and condition of the property.*

*-The Lake County Colorado total valuation of property in 1986 dropped 68% due to the Climax Mine closure.*

*-The Robinson Mine closure in Ely, Nevada (1999-2001) resulted in a county-wide decrease of 25% in property values. Property values rebounded with the restart of the mine in 2005.*

*-The Twenty-mile Mine in Steamboat Springs is selling reclaimed land into the residential market, and sales are undeterred by contiguous mining.*

*The presence of the mining activity of the CC&V has exerted a positive effect on the local housing market. Should the mining cease, there would be downward pressure on home prices. While no statistical correlation with mine closures in other areas is possible, it is reasonable to expect that should mining cease, and no significant other basic employer locate into the area to take its place, the effects on home values would be moderately negative, with home values in the Cripple Creek and Victor area falling from 5% to 10% over a one to two year period. On the other hand, increasing the visibility of the mine to the people in Cripple Creek is not expected to have much, if any, effect on housing prices unless the homes were immediately contiguous to the mining activity. However there are no homes immediately contiguous to the mine.*

As always, contact us if you have any questions.

*Jane Mannon  
Manager, Community Affairs*