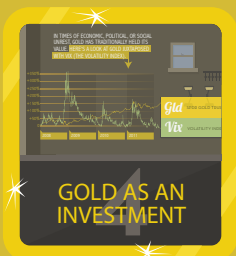




VISUAL CAPITALIST

THE GOLD SERIES



[Redacted main body text]

CONTENTS



Part 1 of the Gold Series introduces gold, its unique properties, and the rich history of the precious metal. Ancient civilizations, gold as a currency, and famous gold rushes are covered here.

3



Part 2 of the Gold Series visualizes the three distinct streams of gold supply, with a focus on gold mining. Learn how gold is mined, processed, and which governments store the most in their reserves.

11



Part 3 of the Gold Series highlights how gold is used and who demands it the most. This infographic focuses specifically on jewelry, technology, and India and China's growing appetites for gold.

19



Part 4 of the Gold Series shows how gold stays strong in the face of inflation, uncertainty, and currency devaluation. Readers will also learn the ins and outs of the different methods of investing in gold.

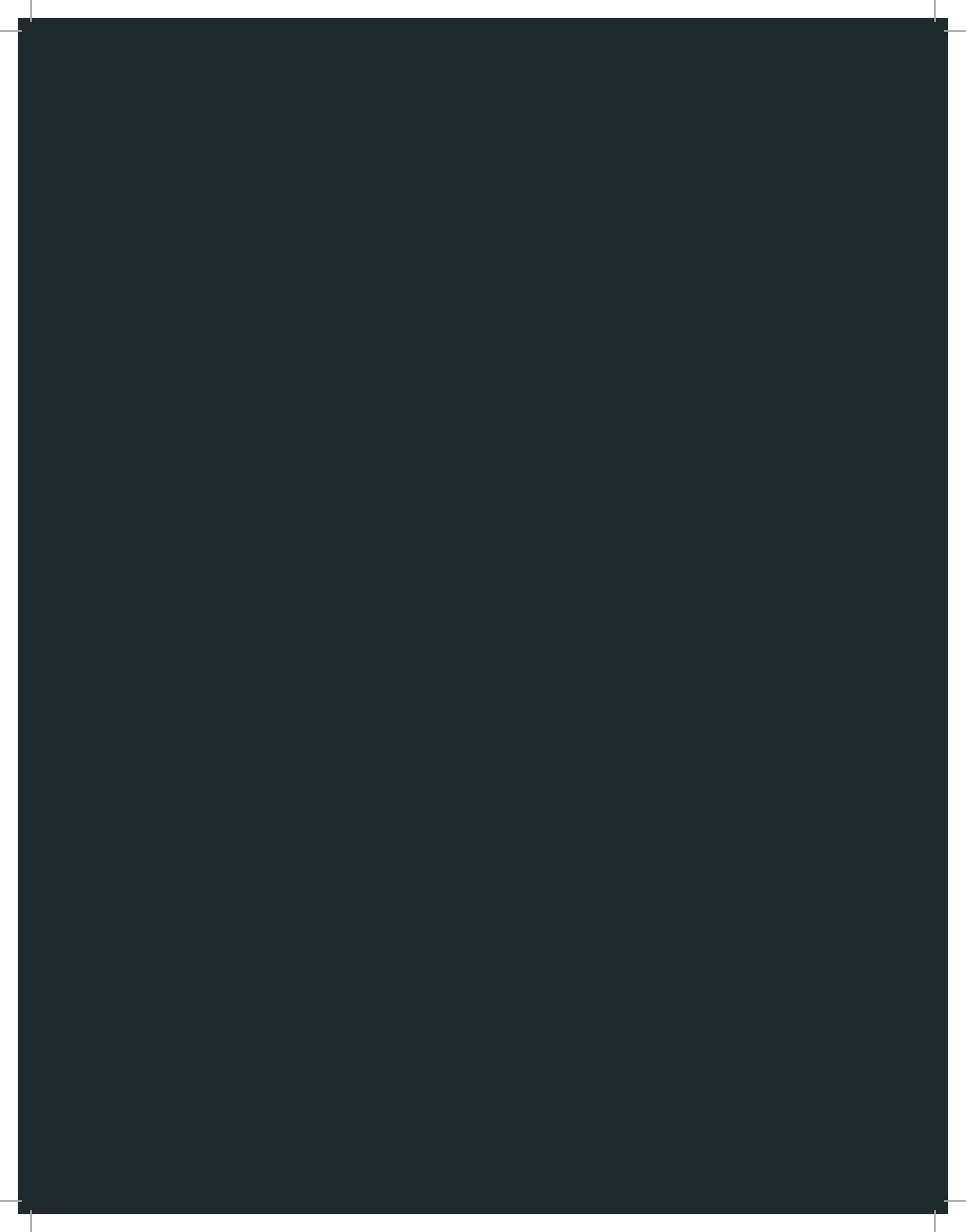
27



In the final part of the series, the rarity of large, high-grade gold deposits is revealed. This infographic visualizes the research done by Roy Sebag of Natural Resource Holdings and breaks down the distribution of all gold deposits across the world by size, grade, and geographic location.

35

For a complete list of sources, please visit: visualcapitalist.com/sources



PART 1

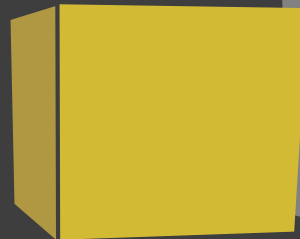
HISTORY OF GOLD

BUT WHAT MAKES

GOLD IS INCREDIBLY RARE.

ALL GOLD MINED SINCE THE DAWN OF CIVILIZATION WOULD FIT IN A **20m × 20m × 20m** CUBE

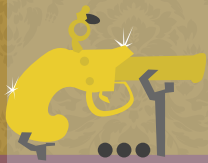
EVERY RING CROWN COIN AND BAR ON EARTH WOULD FIT INTO THIS CUBE.



(171,300 TONNES)



(ARC DE TRIOMPHE)



WARS HAVE BEEN FOUGHT OVER GOLD.



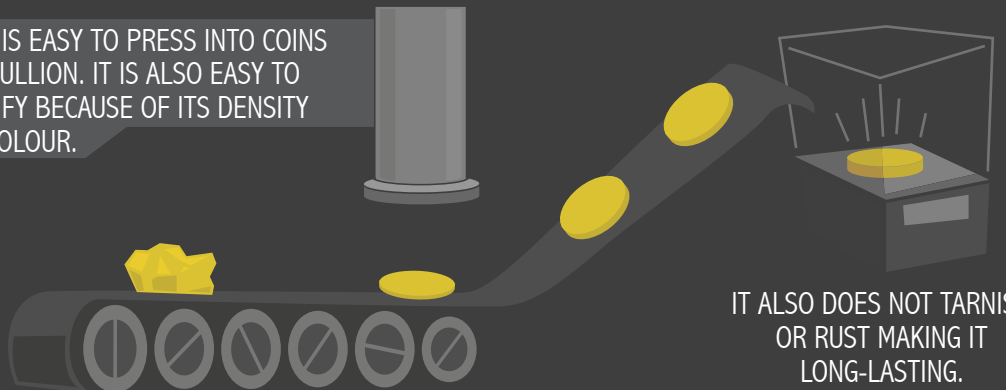
LOVE HAS BEEN EXPRESSED WITH GOLD.



GOLD HAS CHANGED THE LANDSCAPE OF CIVILIZATIONS AND THE WORLD.

IN ADDITION TO ITS RARITY, GOLD'S PROPERTIES MADE IT AN OBVIOUS CHOICE FOR CURRENCY.

GOLD IS EASY TO PRESS INTO COINS AND BULLION. IT IS ALSO EASY TO IDENTIFY BECAUSE OF ITS DENSITY AND COLOUR.



IT ALSO DOES NOT TARNISH OR RUST MAKING IT LONG-LASTING.

GOLD GAVE RISE TO THE CONCEPT OF CURRENCY ITSELF: PORTABLE, PRIVATE, PERMANENT

IN FACT, GOLD FITS THE THREE GENERALLY ACCEPTED CONDITIONS TO BE USED AS MONEY:



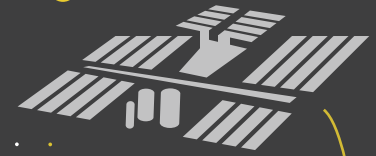
MEDIUM OF EXCHANGE

UNIT OF ACCOUNT

STORE OF VALUE

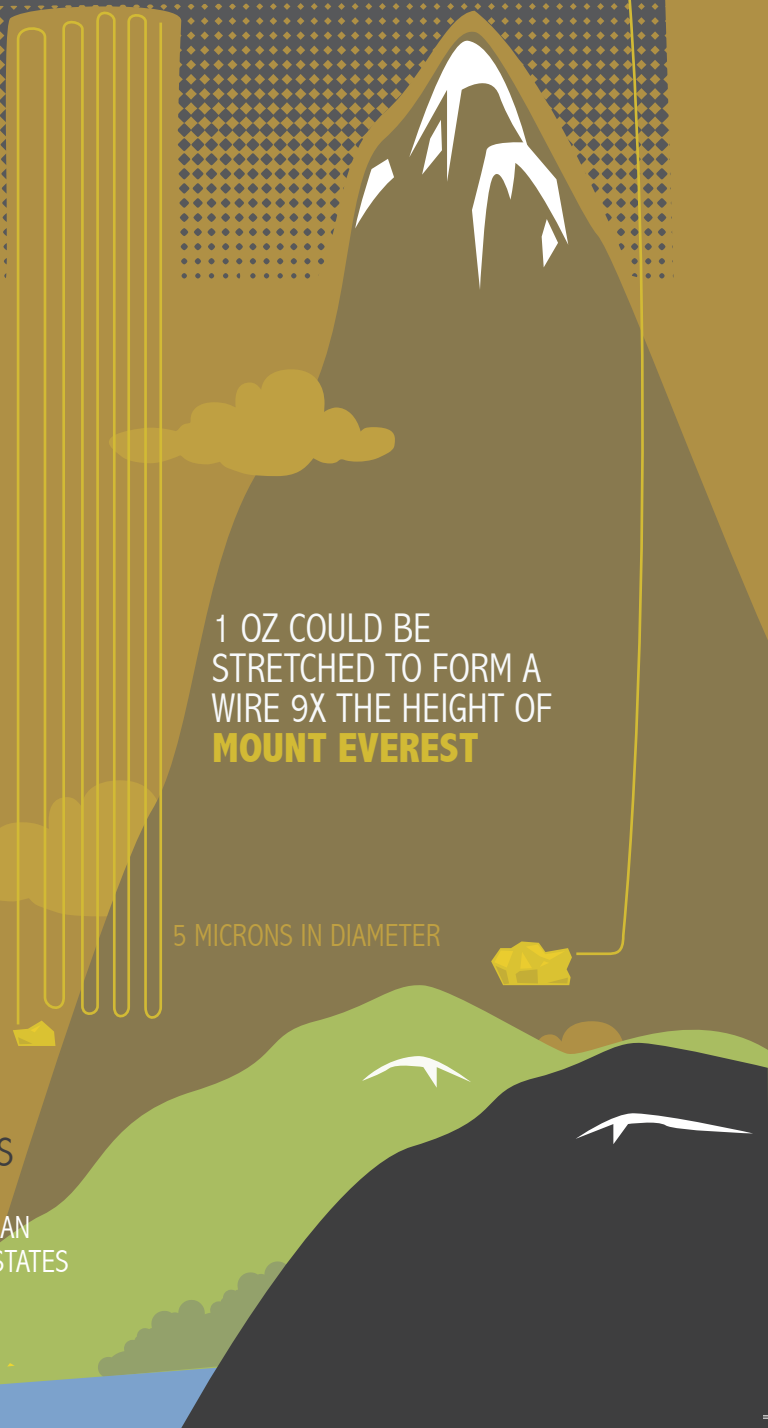
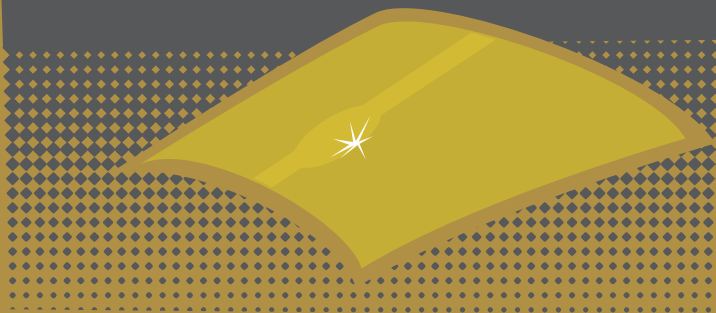
GOLD GREAT?

GOLD IS MALLEABLE AND DUCTILE.



A 1-OUNCE PIECE OF GOLD CAN BE HAMMERED INTO A SHEET **9M x 9M WIDE**

4.5 OZ OF GOLD CAN BE STRETCHED INTO A 5 MICRON WIRE THAT WOULD REACH THE **INTERNATIONAL SPACE STATION**



MORE GOLD PROPERTIES



PURE GOLD IS SO SOFT THAT YOU CAN CREATE INDENTS ON PURE GOLD BY BITING IT WITH YOUR TEETH



IT READILY CREATES ALLOYS WITH OTHER METALS



IT'S A GOOD CONDUCTOR OF HEAT AND ELECTRICITY



IT IS VERY DENSE



IT IS HIGHLY LUSTROUS



IT DOES NOT REACT WITH AIR, MOISTURE, OR MOST CORROSIVE AGENTS

1 OZ COULD BE STRETCHED TO FORM A WIRE 9X THE HEIGHT OF **MOUNT EVEREST**

5 MICRONS IN DIAMETER



GOLD IS THE FIRST METAL THAT WAS WIDELY KNOWN TO MANKIND. THIS IS BECAUSE UNLIKE OTHER METALS, IT CAN OCCUR NATURALLY IN PURE AND WORKABLE STATES LIKE FLAKES OR NUGGETS.

CIVILIZATIONS AND WEALTH

THE EGYPTIANS

3600 BC



EGYPTIANS WERE THE FIRST TO SMELT GOLD

2600 BC



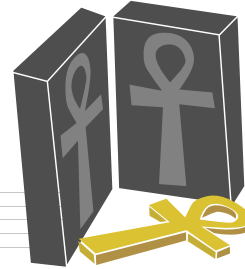
HIEROGLYPHS DESCRIBE GOLD IN EGYPT

1223 BC



KING TUT'S GOLDEN FUNERAL MASK IS CREATED

1200 BC



THEY INVENT THE LOST-WAX TECHNIQUE STILL USED TODAY IN JEWELRY MAKING

THEY LEARN TO ALLOY GOLD WITH OTHER METALS FOR HARDNESS AND COLOUR VARIATION

THE LYDIANS

IN PRESENT DAY TURKEY, LYDIANS MINT THE FIRST EVER COINS FOR TRADE

564 BC

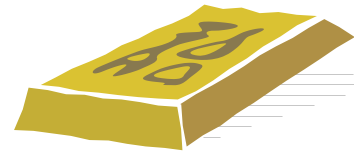


MADE FROM ELECTRUM
A NATURAL ALLOY OF GOLD AND SILVER

THE CHINESE

THE ANCIENT CHINESE BEGIN CIRCULATING THE **YING YUAN**, A SQUARE GOLD COIN

564 BC



THE GREEKS

433 BC

ALEXANDER THE GREAT

SACKS THE PERSIAN EMPIRE AND LOOTS THEIR LEGENDARY GOLD TREASURY



GREEKS BEGIN TO PRACTICE ALCHEMY
THE QUEST OF TURNING BASE METALS INTO VALUABLE GOLD

THE ROMANS

58 BC

JULIUS CAESAR BRINGS BACK ENOUGH GOLD FROM A VICTORIOUS CAMPAIGN IN GAUL TO GIVE **200 COINS** TO EACH OF HIS SOLDIERS AND REPAY ALL OF ROME'S DEBTS.



THE ROMANS ARE THE FIRST TO USE GOLD AS A WIDESPREAD CURRENCY SYSTEM



THE ROMANS INVENT NEW WAYS TO EXTRACT GOLD ON A LARGE SCALE THROUGH HYDRAULIC MINING



THE SPANISH

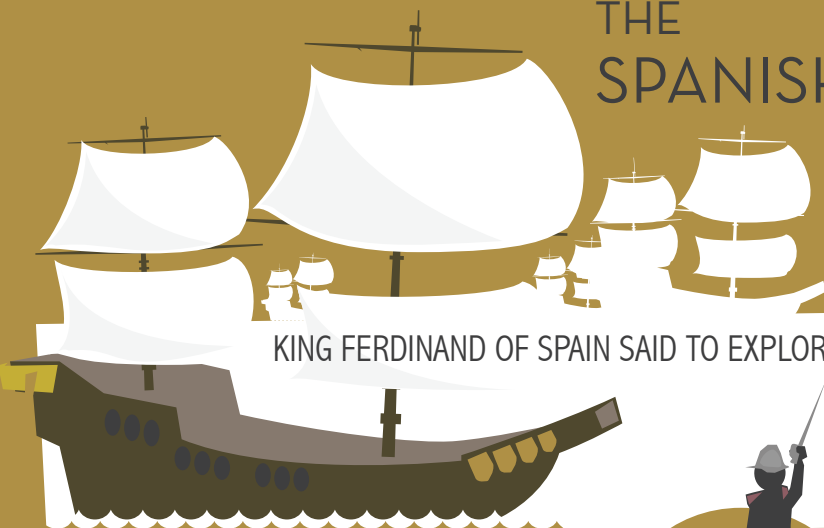
KING FERDINAND OF SPAIN SAID TO EXPLORERS:

“

GET GOLD, HUMANELY IF YOU CAN, BUT ALL HAZARDS,

GET GOLD.”

14TH CENTURY



WITHIN YEARS, THE INCA AND AZTEC CIVILIZATIONS WOULD FALL TO SPANISH CONQUISTADORS



MODERN HISTORY: 19TH TO 21ST CENTURY

FAMOUS GOLD RUSHES

THE PROSPECTS OF HITTING GOLD ENTICED WORKERS ACROSS THE WORLD TO MIGRATE TO NEW FRONTIERS WHERE GOLD WAS DISCOVERED.

PLACER GOLD OCCURRING IN NUGGETS AND FLAKES ALLOWED PROSPECTORS TO FIND GOLD WITH SIMPLE AND INEXPENSIVE TOOLS LIKE GOLD PANS.



NORTH CAROLINA - 1799

AN EARLY AMERICAN GOLD RUSH OCCURRED AFTER A 12 YEAR OLD BOY DISCOVERED A 17 POUND GOLD NUGGET IN CABARRUS COUNTY, NORTH CAROLINA.



CALIFORNIA - 1848

THE DISCOVERY OF GOLD CAUSED THE POPULATION OF SAN FRANCISCO TO SWELL FROM

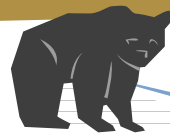
1,000 TO 25,000
IN 2 YEARS.

HUNDREDS OF SHIPS USED TO DELIVER PROSPECTORS WERE ABANDONED IN THE CITY'S HARBOUR. SAILORS WERE UNWILLING TO LEAVE THE BOOMTOWN TO SAIL THEM BACK!

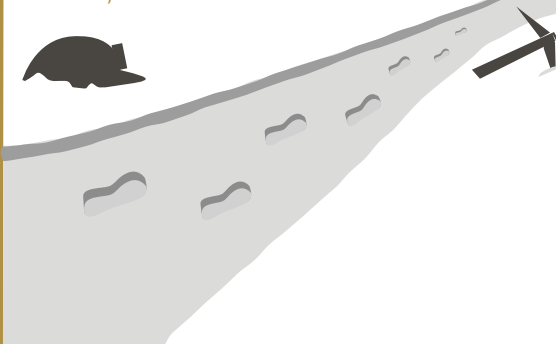


KLONDIKE - 1896

GOLD DISCOVERED IN THE KLONDIKE RIVER AREA IN THE YUKON, STARTED A STAMPEDE OF 100,000 PEOPLE.



FOR THE 30-40% OF PEOPLE WHO COMPLETED THE JOURNEY, IT WOULD TAKE FIVE YEARS OF MINING TO RECOUP THE MONEY SPENT GETTING THERE.



THE GOLD STANDARD



OVER TIME, COUNTRIES ADOPTED THE **GOLD STANDARD** AS A MONETARY SYSTEM, WHERE CURRENCY WOULD BE FIXED TO A WEIGHT OF GOLD.

GREAT BRITAIN WAS THE FIRST TO DO THIS, AND ITS ECONOMIC POWER PUT PRESSURE ON OTHER COUNTRIES TO FOLLOW SUIT.

IN THE 19TH CENTURY, ALL MAJOR COUNTRIES OTHER THAN CHINA USED THE GOLD STANDARD.

PART OF THIS WAS DUE TO SILVER BECOMING MORE ABUNDANT AND DECLINING IN VALUE.

VALUE OF GOLD RELATIVE TO SILVER

16TH CENTURY



15.5X

20TH CENTURY



50X

GOLD IN THE SPACE AGE

HUMANITY'S FIRST TRIPS TO SPACE WERE HEAVILY DEPENDENT ON THE BRIGHT METAL, AS ITS LUSTROUS SURFACE REFLECTED THE SUN'S DANGEROUS RADIATION THAT WOULD OTHERWISE HARM ASTRONAUTS AND EQUIPMENT.

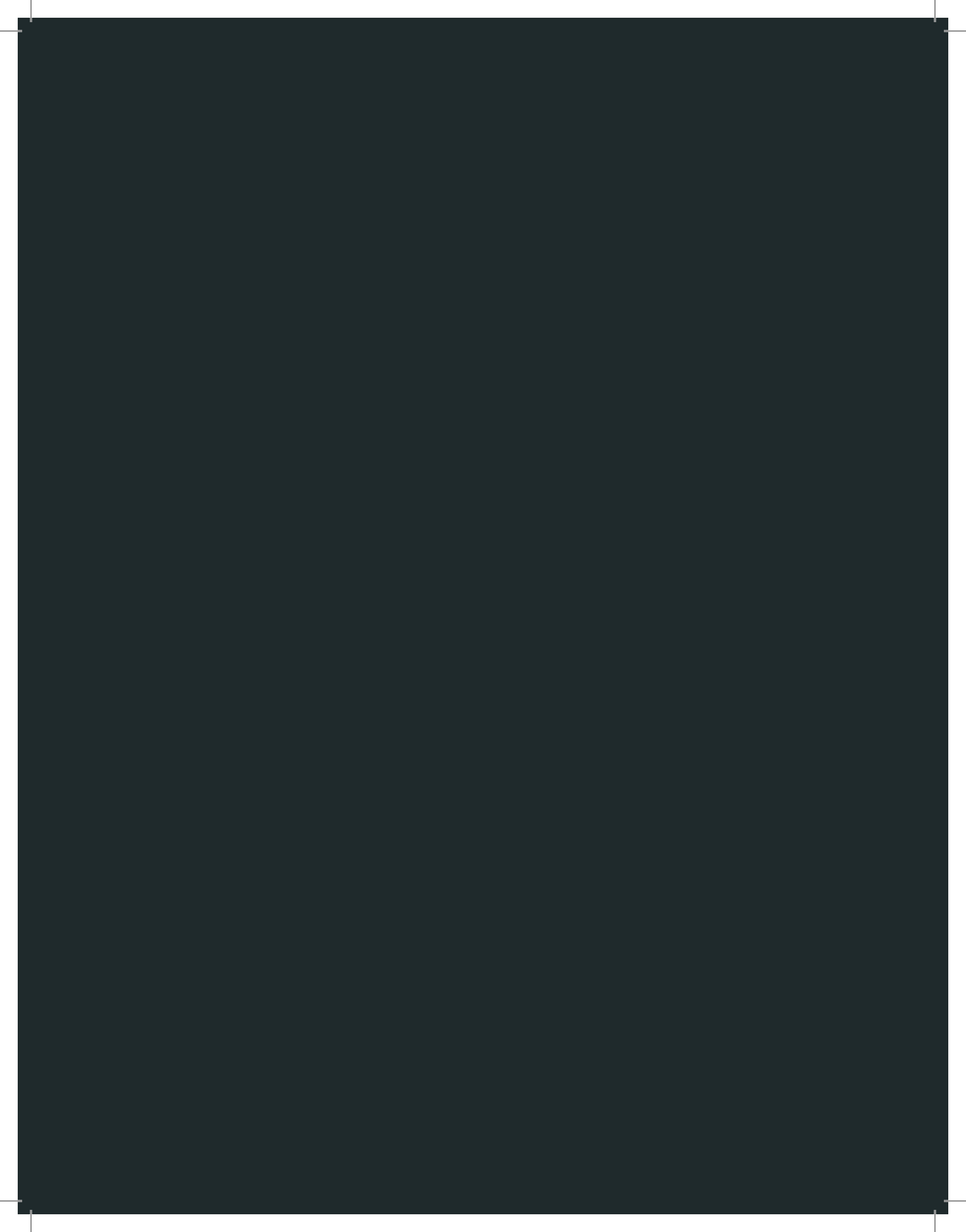


SPACE SHUTTLES CONTAIN APPROX. 40 KGS OF GOLD.

CONCLUSION

GOLD IS AN EXTREMELY UNIQUE, USEFUL AND VERSATILE METAL. IT HAS PROVED IRREPLACEABLE THROUGHOUT THE AGES IN APPLICATIONS AS VARIED AS HUMAN HISTORY ITSELF.

ITS STORY IS FAR FROM OVER...



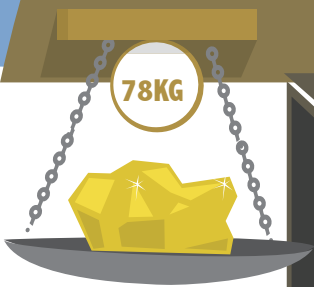
PART 2

SUPPLY & MINING

FROM ANCIENT TIMES TO FAMOUS GOLD RUSHES, GOLD WAS FIRST DISCOVERED IN **PLACER DEPOSITS** (Pronounced "plas-er")

PLACER GOLD OCCURS WHEN HOST ROCK WEATHERS AND RELEASES GOLD PARTICLES THAT TRAVEL DOWNSLOPE TO A **HILLSIDE, CANYON MOUTH,**

OR STREAMBED.



THE LARGEST EVER GOLD NUGGET WAS FOUND IN AUSTRALIA IN 1869.

TODAY, THE GOLD EXTRACTED FROM IT WOULD BE WORTH **\$4,000,000 USD**

ALSO, GOLD IS **19x HEAVIER** THAN WATER, SO IT TENDS TO SINK AS DEEP AS IT CAN IN THE BEDROCK.

GOLD IS DISPERSED BY GEOLOGICAL FORCES SUCH AS MOVING WATER AND GLACIERS OVER MILLIONS OF YEARS.

PLACER GOLD CAN BE MINED USING GRAVITY TO SEPARATE THE GOLD, SUCH AS PANNING OR SLUICING.

SLUICING

WATER RUNS ALONG THE SLUICE BOX

DENSE MATERIAL (SUCH AS GOLD) GETS TRAPPED BY THE "RIFFLES"

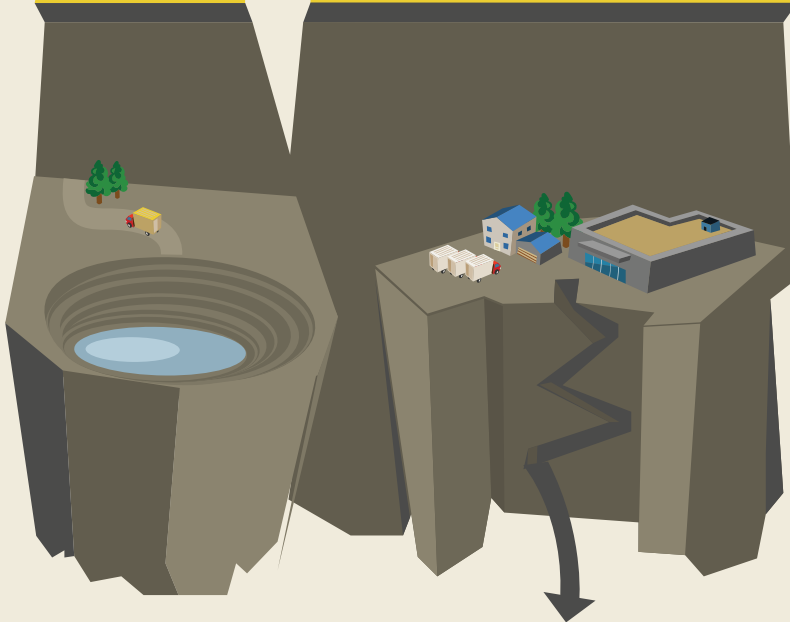
FACT

AT 10 PARTS PER QUADRILLION THE EARTH'S OCEANS WOULD ACTUALLY HOLD **15,000 TONNES OF GOLD.** THAT'S WORTH **\$800 BILLION**, OR ENOUGH TO PAY OFF GREECE'S DEBT ALMOST 3X OVER!

MODERN GOLD MINING

TODAY MOST GOLD COMES FROM HARD ROCK DEPOSITS WHERE GOLD IS DISSEMINATED OR ASSOCIATED WITH OTHER METALS AND MINED EITHER THROUGH

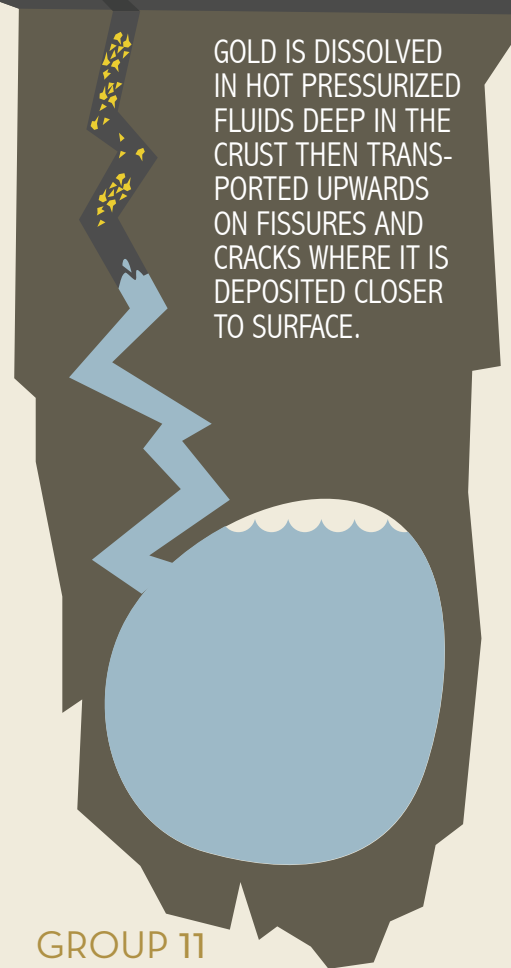
OPEN PIT OR **UNDERGROUND MINING**



FACT THE WORLD'S DEEPEST GOLD MINE IS IN SOUTH AFRICA AND GOES **3.9KMS** BENEATH THE SURFACE

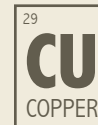
HOW DO UNDERGROUND GOLD DEPOSITS FORM?

GOLD IS DISSOLVED IN HOT PRESSURIZED FLUIDS DEEP IN THE CRUST THEN TRANSPORTED UPWARDS ON FISSURES AND CRACKS WHERE IT IS DEPOSITED CLOSER TO SURFACE.



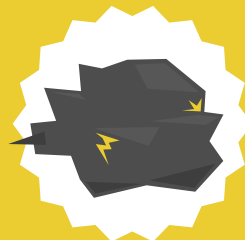
GROUP 11

GOLD, SILVER, AND COPPER OCCUR TOGETHER FREQUENTLY BECAUSE THEY ALL HAVE THE SAME GEOCHEMISTRY.



HOW IS GOLD RECOVERED FROM ORE?

GENERALLY, GOLD ORE ONLY HAS A COUPLE OF GRAMS OF GOLD PER TONNE. HOW CAN WE GET IT OUT?



AROUND **90%** OF THE GOLD PRODUCED TODAY IS RECOVERED THROUGH THE **CYANIDE LEACHING PROCESS**.

HERE'S A LOOK AT THE HEAP LEACHING PROCESS:

1 ORE IS CRUSHED, FLATTENED, AND SPRAYED WITH A CYANIDE SOLUTION.

2 THE GOLD BEARING SOLUTION IS COLLECTED

3 GOLD IS THEN PRECIPITATED OUT OF THE SOLUTION

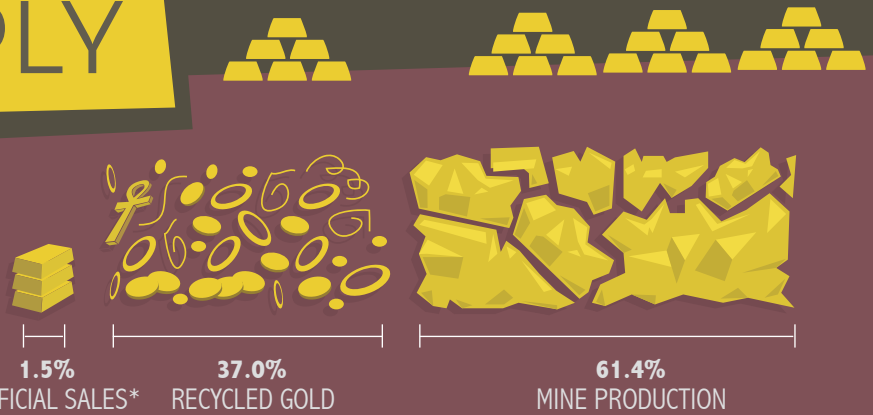


ENVIRONMENTAL CONCERNS

CYANIDE LEACHING RECOVERS OVER 97% OF GOLD, BUT REMAINS CONTROVERSIAL IN SOME PLACES BECAUSE OF THE TOXIC NATURE OF CYANIDE.

GOLD SUPPLY

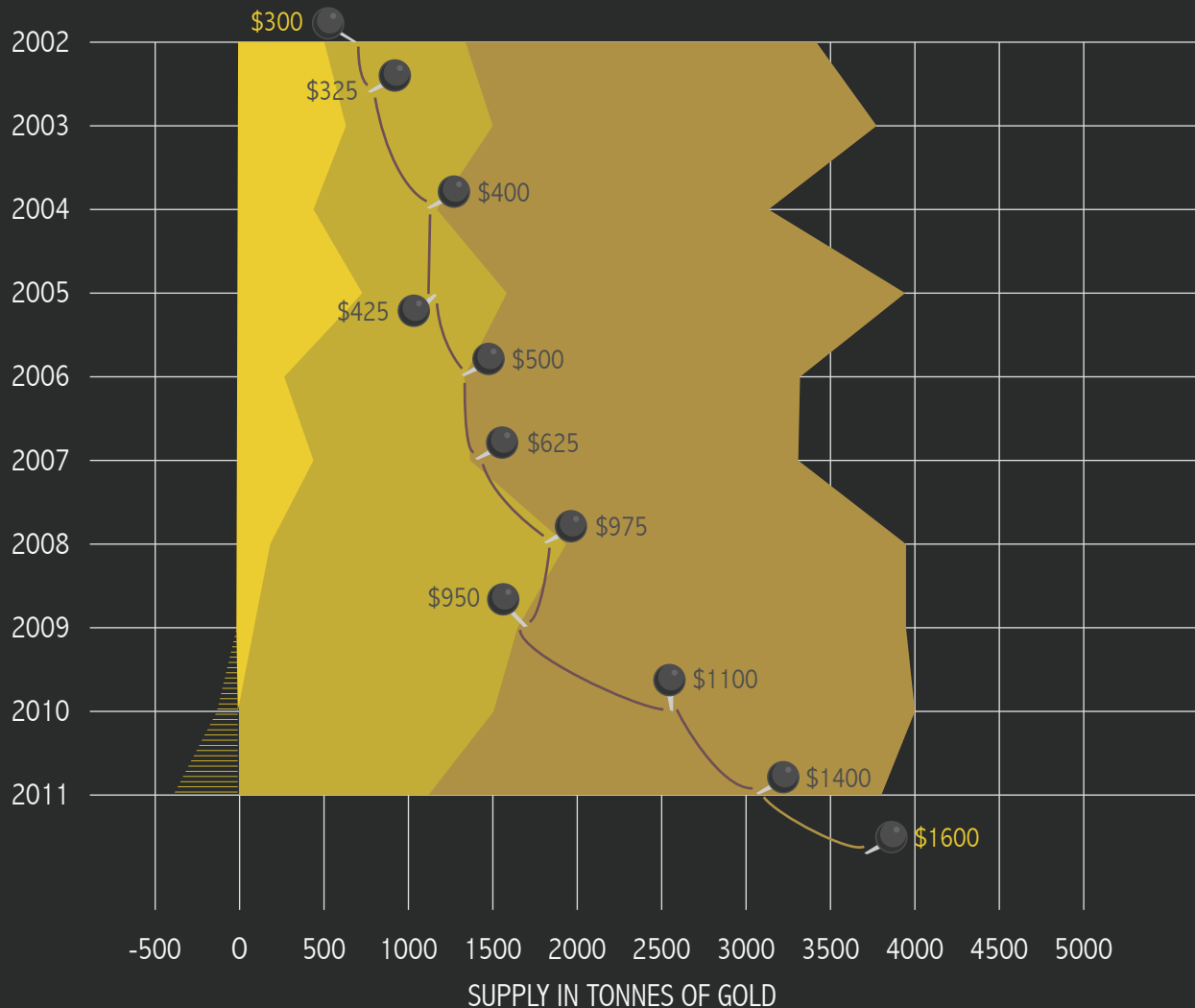
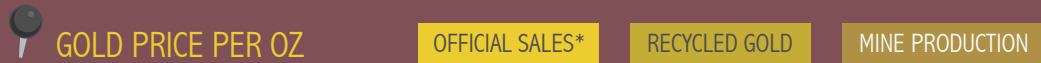
THERE ARE THREE DISTINCT STREAMS THAT MAKE UP GOLD SUPPLY



SUPPLY FLOWS, 5-YEAR AVERAGE ('07-'11)

HERE'S A CLOSER LOOK AT SUPPLY AS IT RELATES TO GOLD PRICES OVER THE LAST 10 YEARS:

* "OFFICIAL SECTOR SALES" REFERS TO RESERVE GOLD SOLD BY GOVERNMENTS AND BANKS.



GOLD WANTED!

571%

INCREASE IN GOLD PURCHASES BY CENTRAL BANKS (2011 VS 2010)



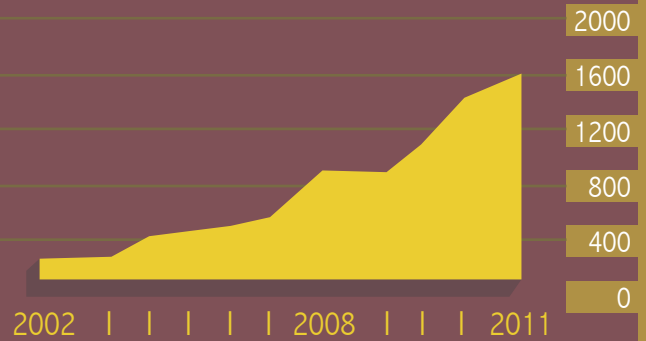
RECYCLED GOLD



SINCE THE 2008 FINANCIAL CRISIS, MORE PEOPLE HAVE OPTED TO RECYCLE GOLD BECAUSE OF ITS HIGHER PRICE. BETWEEN 2002 AND 2011, SUPPLY FROM GOLD RECYCLING HAS INCREASED **93%**

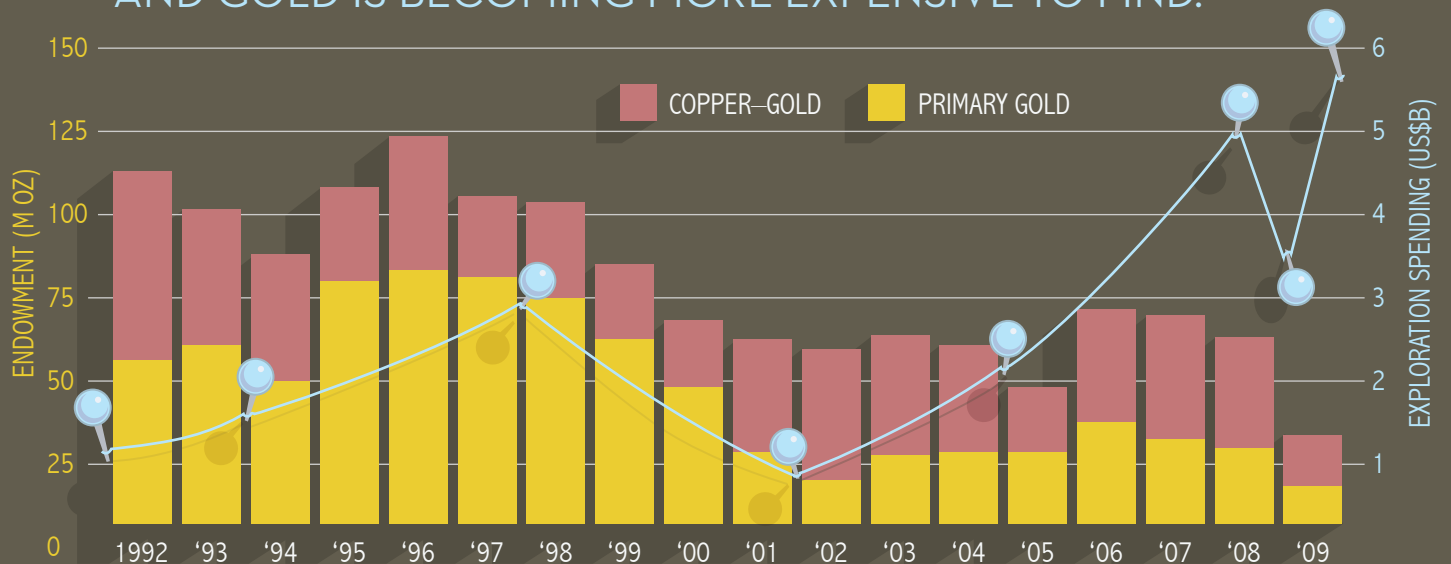
MINE PRODUCTION

HIGH GOLD PRICES LED TO **30%** GROWTH IN GOLD PRODUCTION BETWEEN 2002 AND 2011. HIGH PRICES MEAN MORE GOLD DEPOSITS ARE ECONOMIC TO PRODUCE.



DISCOVERIES ARE DECLINING...

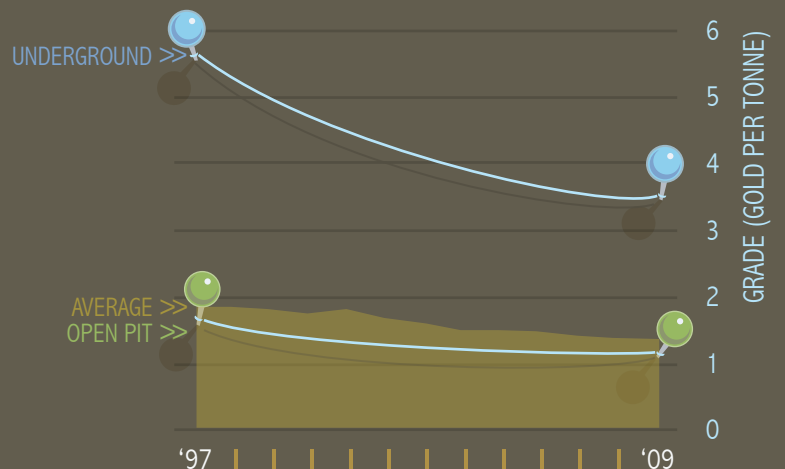
AND GOLD IS BECOMING MORE EXPENSIVE TO FIND.



DATA SHOWS THAT THE GRADE OF UNDERGROUND AND OPEN PIT GOLD MINES ARE DECREASING OVER TIME.

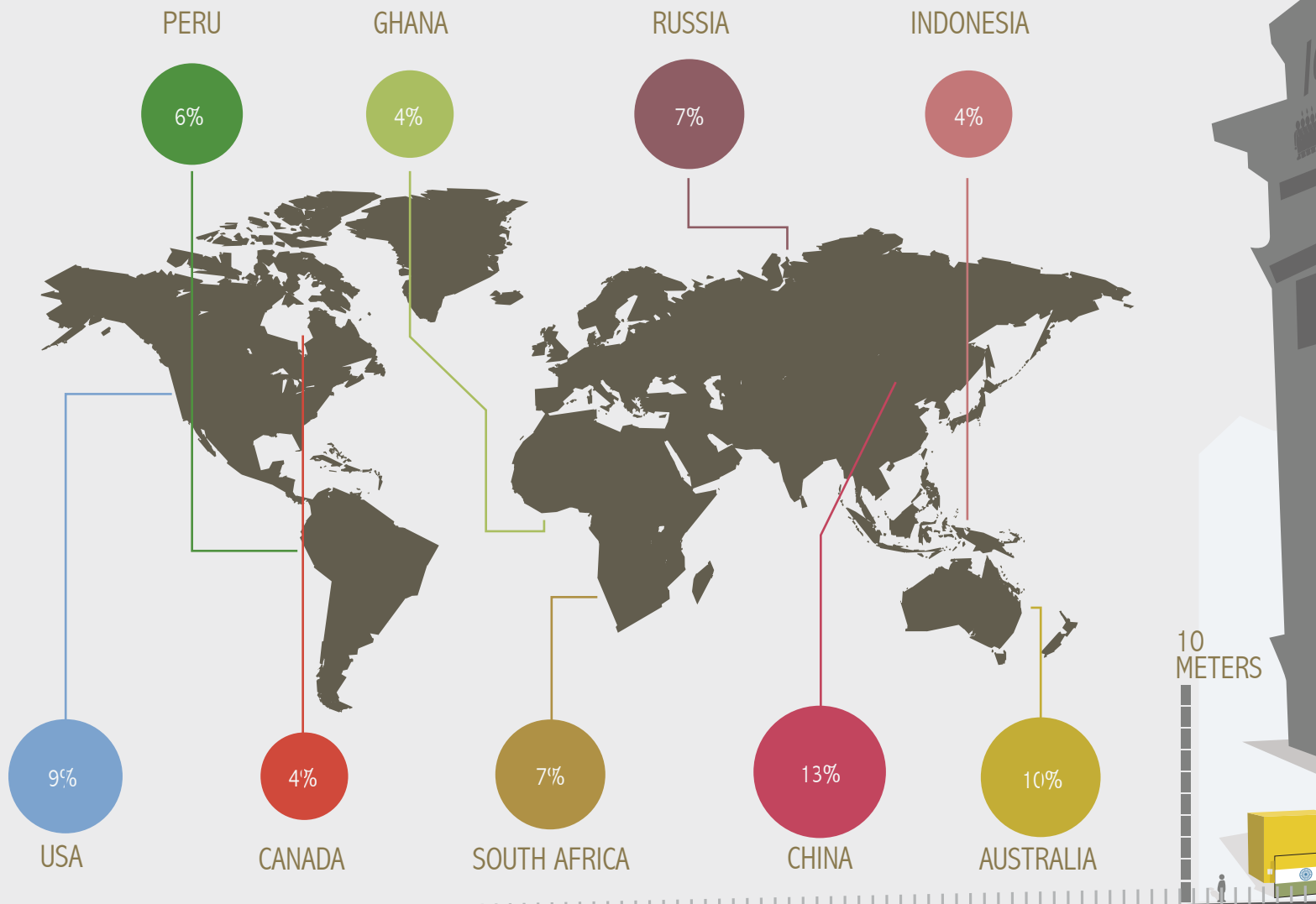
THIS MEANS LARGE SCALE, HIGH-GRADE GOLD DEPOSITS ARE RARER THAN EVER.

DECREASE IN AVERAGE GOLD GRADES FROM 1997-2009 >>>



WHO'S STILL PRODUCING GOLD?

(PERCENTAGE OF WORLD PRODUCTION)



GOLD RESERVES AROUND THE WORLD

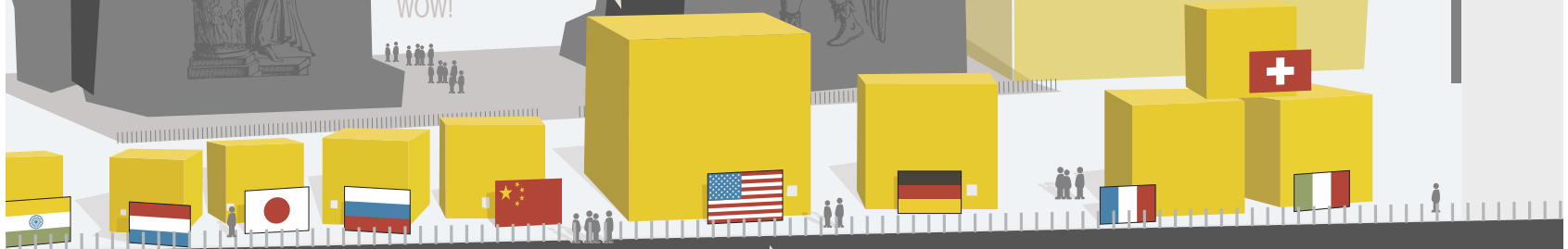
50 METERS

CENTRAL BANKS HOLD A SMALL % OF ASSETS AS RESERVES TO REDUCE RISK. MOST COUNTRIES HAVE GOLD RESERVES AS PART OF THEIR HOLDINGS.

ALL THE GOLD MINED IN HUMAN HISTORY WOULD FIT IN THIS CUBE.

30% OF ALL GOLD IN RESERVE

WOW!



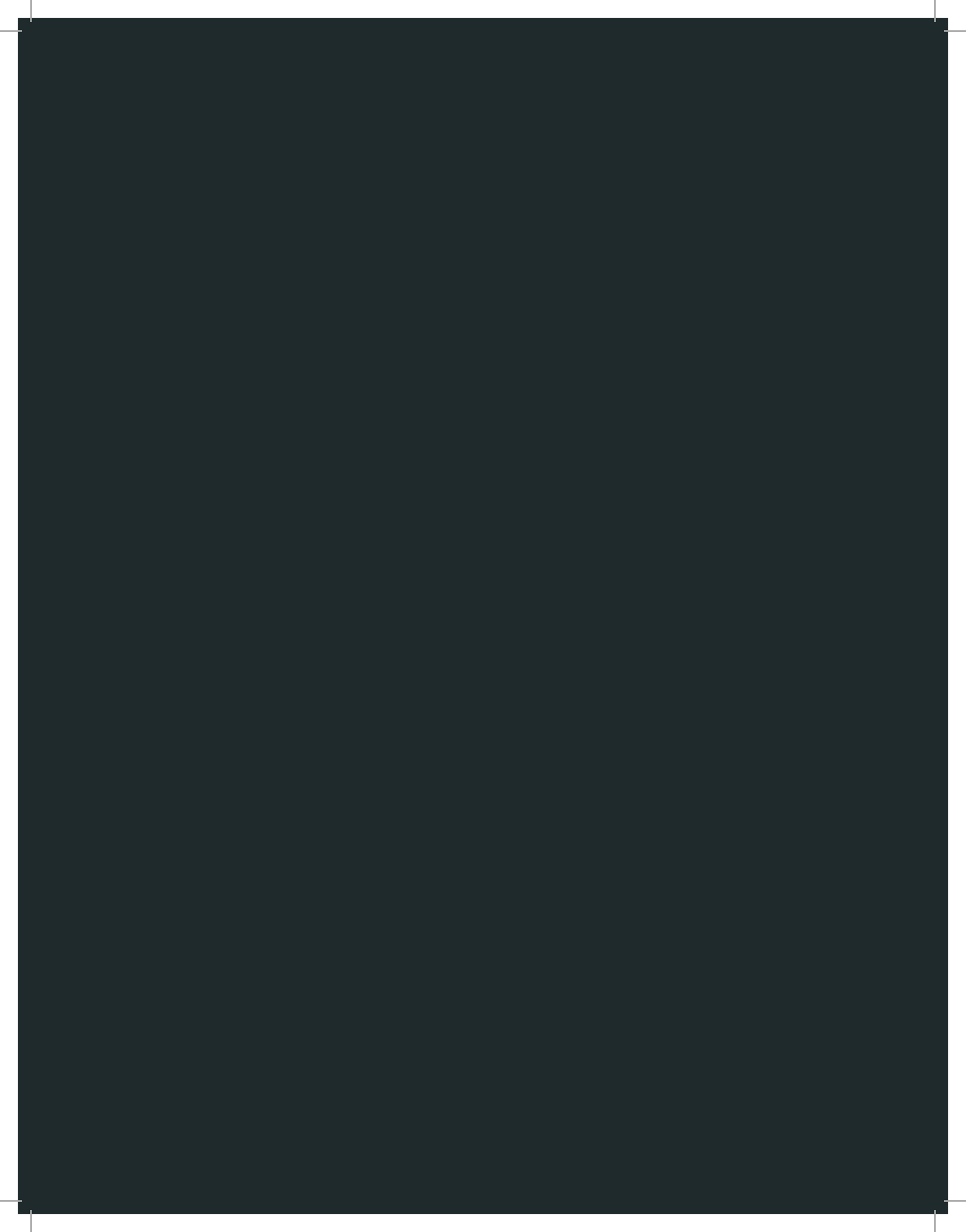
THE RESERVES OF RECENTLY MODERNIZED COUNTRIES WILL OFTEN CONTAIN MORE CURRENCY (SUCH AS USD) THAN PRECIOUS METALS

8133.5 TONNES
\$420 BILLION (USD)

CHINA HAS **3 TRILLION** DOLLARS (USD) IN RESERVE

PORTUGAL HAS THE HIGHEST CONCENTRATION OF GOLD IN ITS RESERVES: **90.5%**

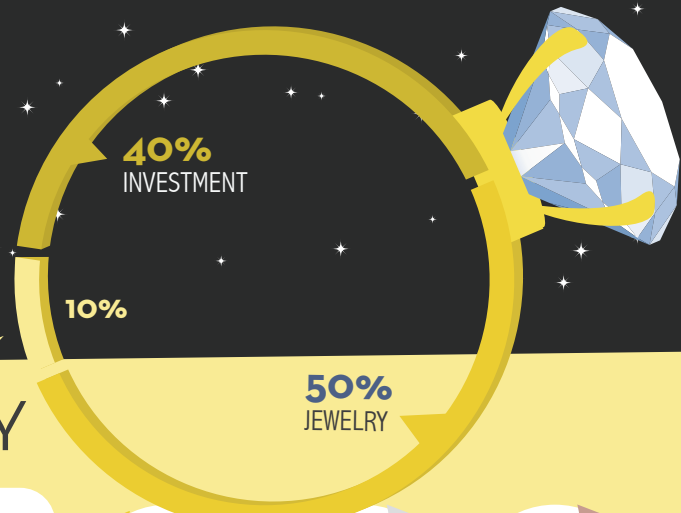
OLDER ECONOMIES OFTEN HAVE A HIGHER PERCENTAGE OF GOLD IN THEIR RESERVES AS A LEGACY OF THE GOLD STANDARD SYSTEM



PART 3

USES & DEMAND

THE GLOBAL GOLD MARKET CAN BE DIVIDED INTO THREE DISTINCT CATEGORIES:



GOLD IN TECHNOLOGY

GOLD'S PROPERTIES MAKE IT A HIGHLY VERSATILE METAL

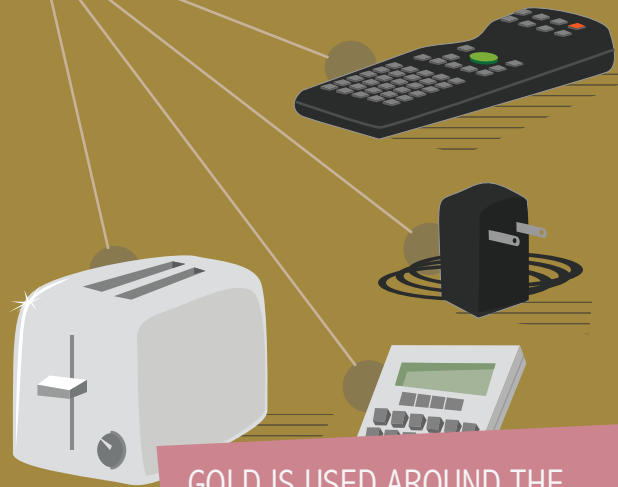
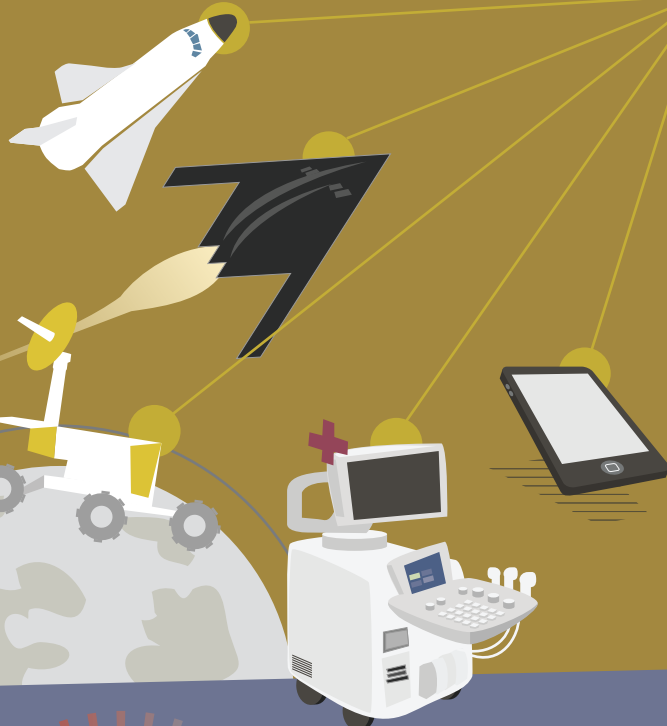
GOLD'S MOST IMPORTANT PROPERTY FOR TECHNOLOGY USE IS ITS RESISTANCE TO CORROSION AND TARNISH. WHILE SILVER AND COPPER ARE BETTER CONDUCTORS, GOLD IS BY FAR THE MOST RELIABLE AND LONG-LASTING.



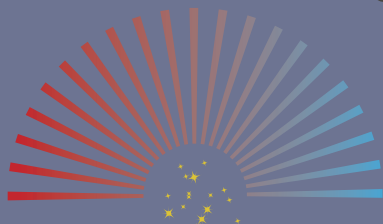
GOLD IS OPTIMAL IN TELECOMMUNICATIONS, COMPUTERS, DEFENSE SYSTEMS, MEDICAL EQUIPMENT, AND OTHER MISSION-CRITICAL TECHNOLOGY.

THESE HAVE GOLD IN THEM.

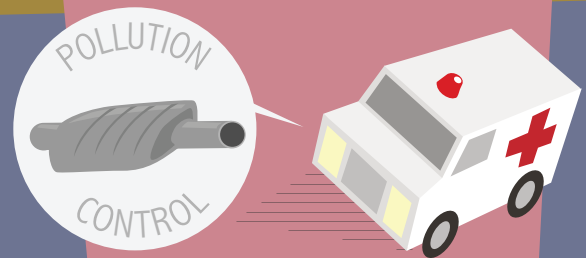
THESE? NOT LIKELY.



GOLD IS USED AROUND THE WORLD IN CATALYTIC CONVERTORS IN CARS, TRUCKS, AND HEAVY DUTY VEHICLES.



WHEN ON A NANOSCALE, GOLD ACTUALLY CHANGES COLOUR TO DEEP CRIMSON RED OR LIGHT BLUE. THIS IS BECAUSE TINY PARTICLES OF GOLD INTERACT DIFFERENTLY WITH LIGHT.

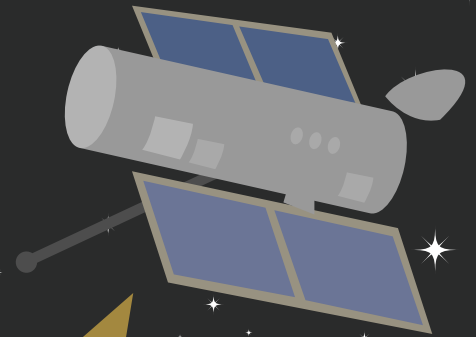
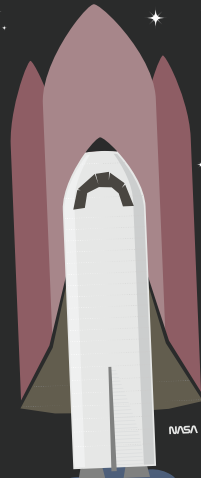


41 KG OF GOLD WAS USED ON U.S. COLUMBIA SPACE SHUTTLE AND GOLD ALSO PROTECTS ASTRONAUTS FROM RADIATION.

THIN-FILM APPLICATIONS

CIRCUIT BOARDS

ELECTRICAL*CONTACTS



GOLD COATINGS PROTECT THE \$1.5 BILLION HUBBLE TELESCOPE AND ITS ELECTRICAL CONNECTIONS FROM CORROSION.

GOLD'S UNIQUE OPTICAL PROPERTIES ALLOWS IT TO BE USED ON A NANOSCALE TO DETECT PREGNANCY, PROGRESSION OF HIV, AND SALMONELLA.

ENERGY EFFICIENCY

NANOTECHNOLOGY

ROYAL BANK PLAZA BUILDING TORONTO

A THIN COATING OF GOLD GLAZING IN WINDOWS PROVIDES EXCELLENT REFLECTION OF HEAT RADIATION, KEEPING BUILDINGS COOL IN SUMMER AND WARM IN WINTER.

ALL 14,000 WINDOWS ARE COATED IN 70KGS OF PURE GOLD.

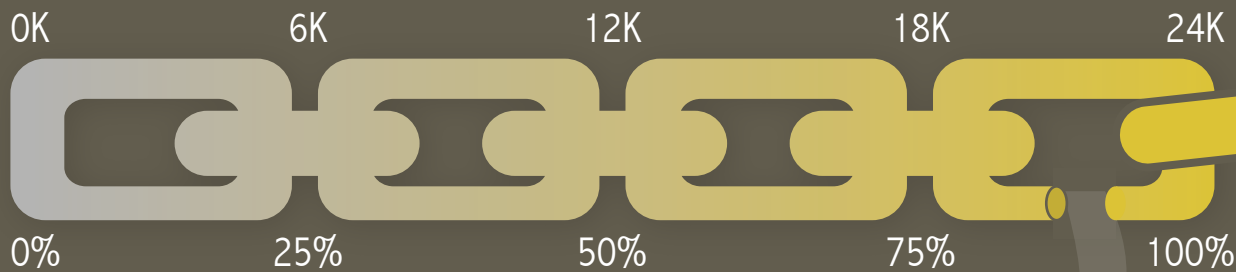
THAT'S WORTH \$3,600,000!

GOLD IN JEWELRY

ANCIENT GOLD JEWELRY DATES BACK TO 6,000 YEARS AGO, AND HAS BEEN USED THROUGHOUT HISTORY TO SYMBOLIZE POWER, WEALTH, AND LOVE.



PURITY OF GOLD JEWELRY IS MEASURED IN KARATS.



GOLD HUES

BECAUSE PURE GOLD IS VERY SOFT, IT IS ALLOYED WITH OTHER METALS.

HERE ARE SOME TRADITIONAL HUES THAT CAN BE CREATED USING SILVER AND COPPER.



91.67% GOLD 5% SILVER 2% COPPER 1.33% ZINC

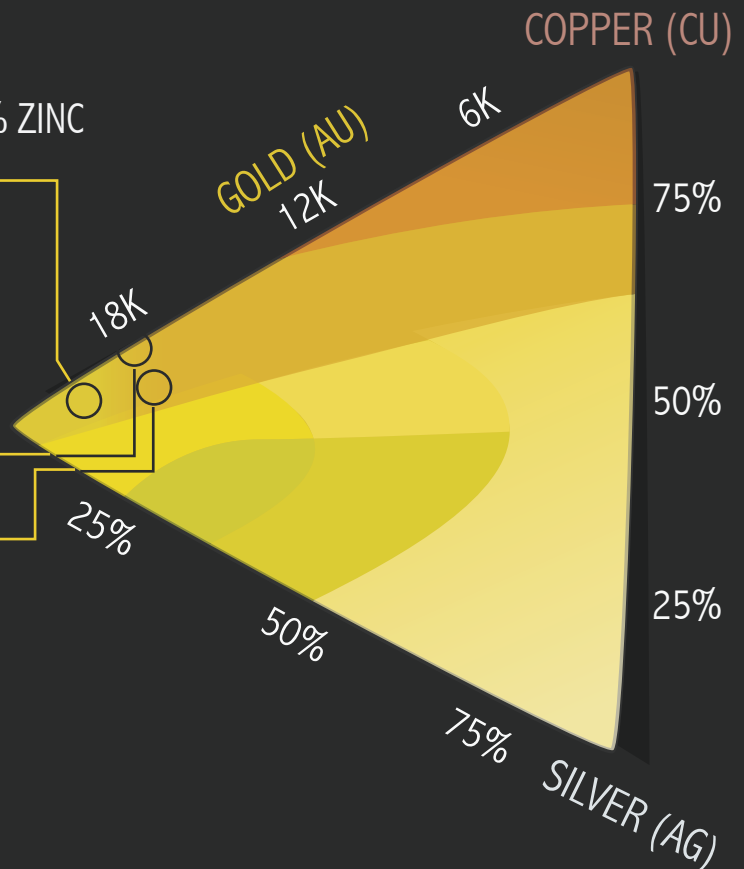
YELLOW GOLD

RED GOLD (18K)

75% GOLD 25% COPPER

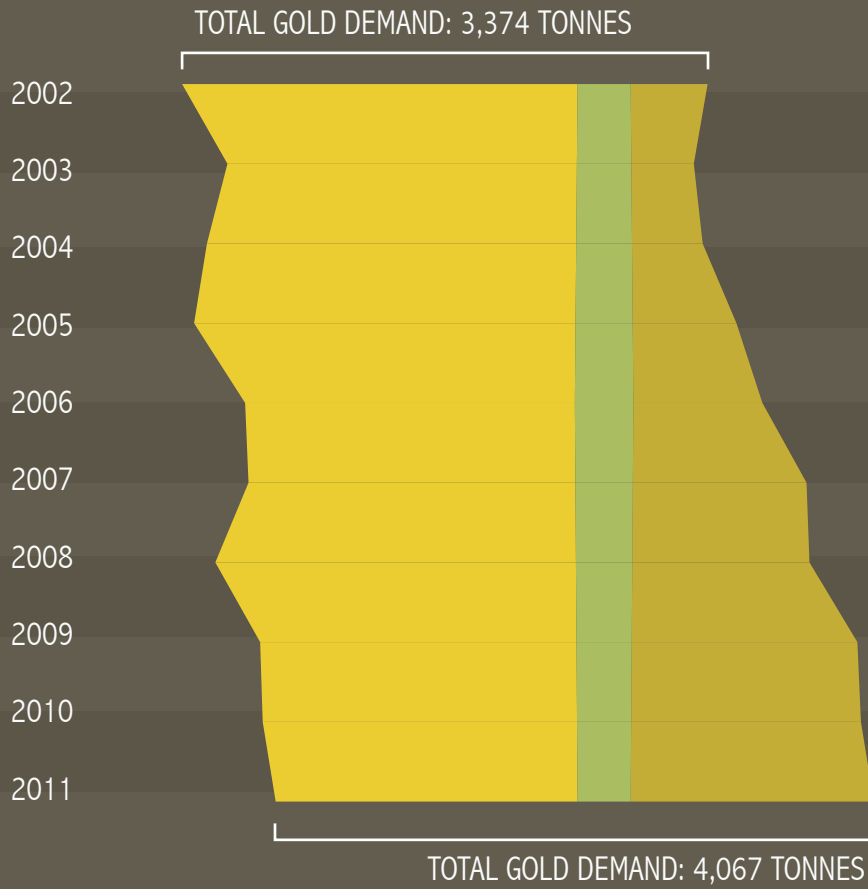
PINK GOLD (18K)

75% GOLD 20% COPPER 5% SILVER



GOLD OVERALL DEMAND

JEWELRY TECHNOLOGY INVESTMENT



OVER THE LAST 9 YEARS, GOLD PURCHASES FOR INVESTMENTS HAVE INCREASED A HEFTY

366%

TYPES OF INVESTMENTS

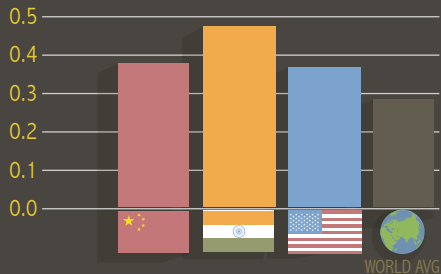
- BULLION
- COINS
- EQUITIES
- ETPs EXCHANGE TRADED PRODUCTS

LEARN MORE ABOUT GOLD AS AN INVESTMENT IN PART 4 OF THIS SERIES.

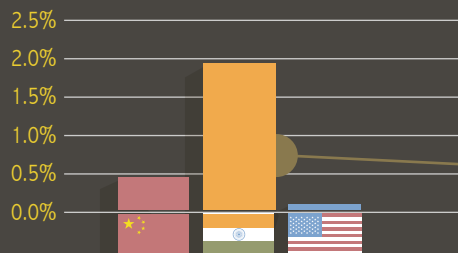
21% INCREASE

CHINA VS INDIA

GRAMS OF NEW GOLD JEWELRY BOUGHT PER CAPITA

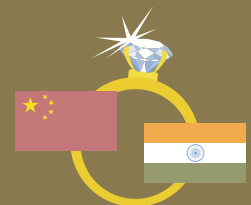


PERCENTAGE OF INCOME SPENT ON GOLD JEWELRY



INDIA AND CHINA, THE TWO MOST POPULOUS COUNTRIES IN THE WORLD, TOGETHER REPRESENT OVER HALF OF THE WORLD'S GLOBAL GOLD DEMAND.

INDIANS AND CHINESE BUY MORE GOLD JEWELRY PER PERSON.



AND INDIANS, DESPITE EARNING LESS MONEY THAN CHINESE OR AMERICANS, IN PARTICULAR PRIZE GOLD, SPENDING **50X** MORE OF THEIR ANNUAL INCOME ON GOLD THAN THE AVERAGE AMERICAN.

THE DIFFERENCE LIES IN CULTURE AND ECONOMIC GROWTH:

IN INDIA

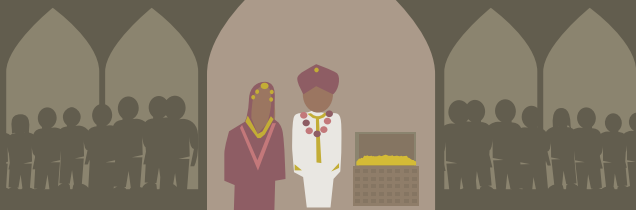
GOLD

IS SYNONYMOUS WITH WEALTH

"NO GOLD, NO WEDDING" IS A COMMON PHRASE IN INDIA.



IN INDIAN WEDDINGS THE GOLD THE BRIDE BRINGS IN SHOW HER FAMILY'S STATUS AND WEALTH AND FORMS PART OF THE DOWRY GIVEN TO THE BRIDE.



10 MILLION WEDDINGS TAKE PLACE IN INDIA EACH YEAR

DIWALI



DHANTERAS IS THE FIRST DAY OF THE FIVE DAY DIWALI FESTIVAL IN NORTH INDIA. HINDUS CONSIDER BUYING GOLD TO BRING GOOD LUCK ON THIS DAY.

ABOUT **10 TONNES** OF GOLD ARE SOLD ON THIS DAY ALONE IN INDIA.



DESPITE PRODUCING LESS THAN **1%** OF THE WORLD'S GOLD, INDIA MAKES UP ABOUT **30%** OF GLOBAL DEMAND.



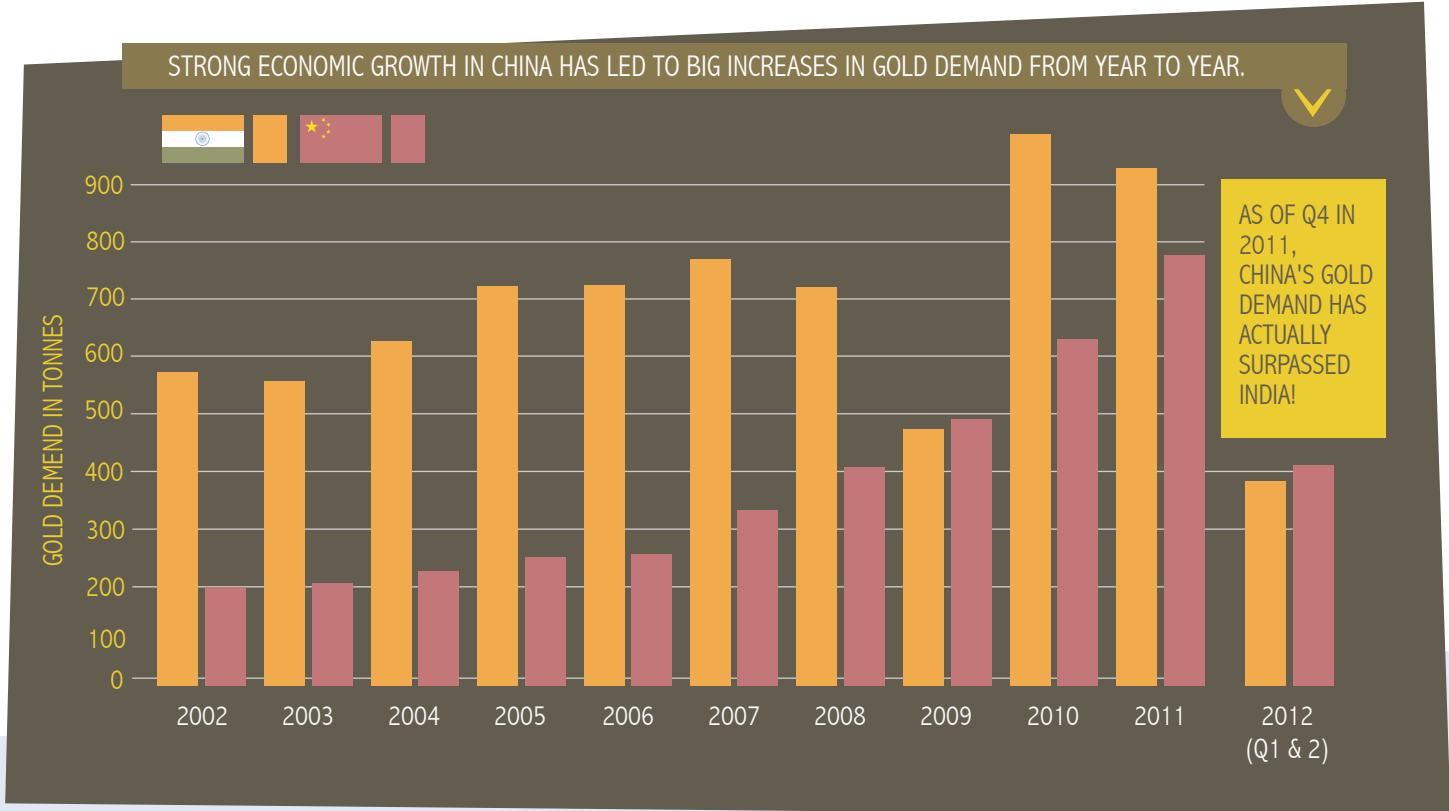
GOLD ALSO HAS A RICH HISTORY IN CHINESE CULTURE, BUT THE RISE OF DEMAND OF GOLD JEWELRY HAS MORE TO DO WITH INCREASED WEALTH PER PERSON.

TODAY, CHINA IS SECOND ONLY TO THE U.S. WITH A MIDDLE CLASS POPULATION OF

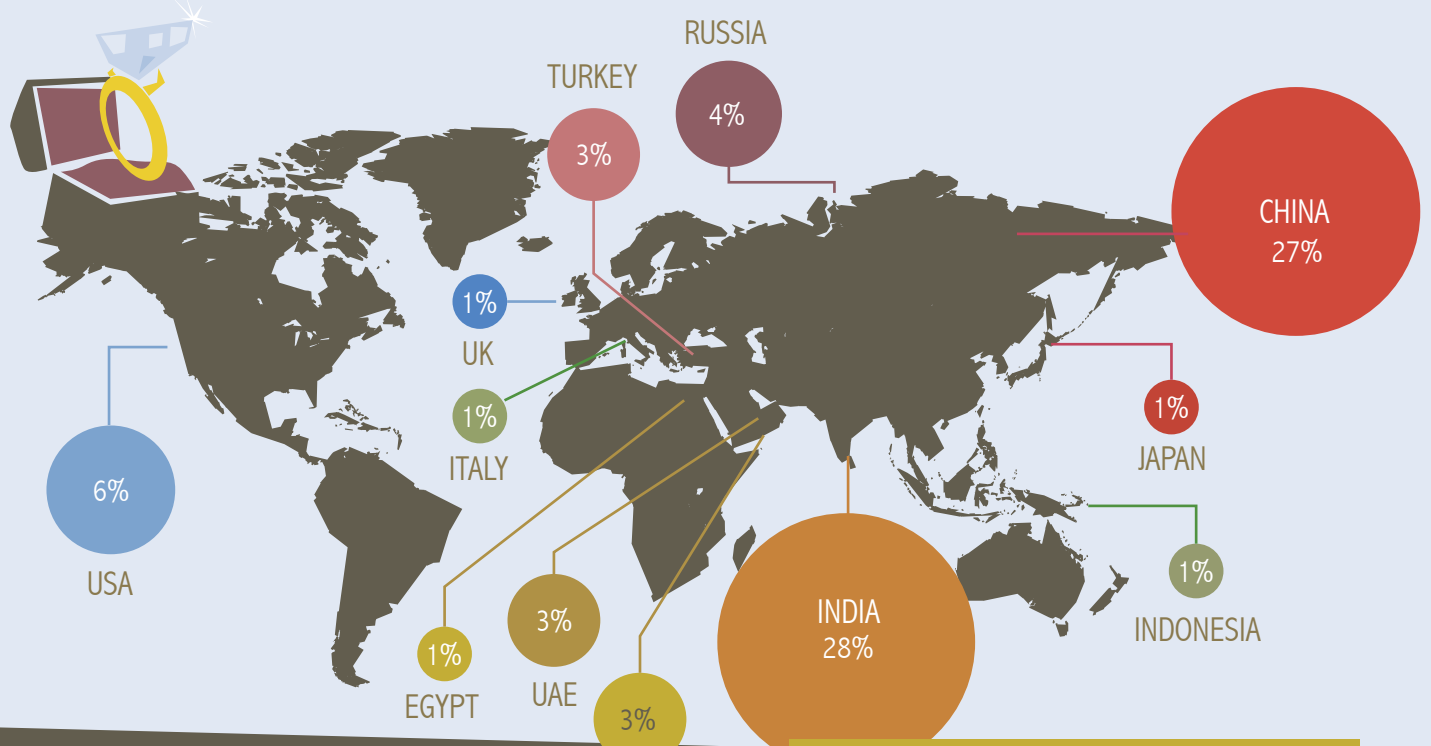
157 MILLION PEOPLE

INCREDIBLY, AS OF 2012, THERE ARE OVER **1 MILLION MILLIONAIRES** LIVING IN CHINA.





WHO IS BUYING GOLD JEWELRY? (PERCENTAGE OF GLOBAL CONSUMER DEMAND)



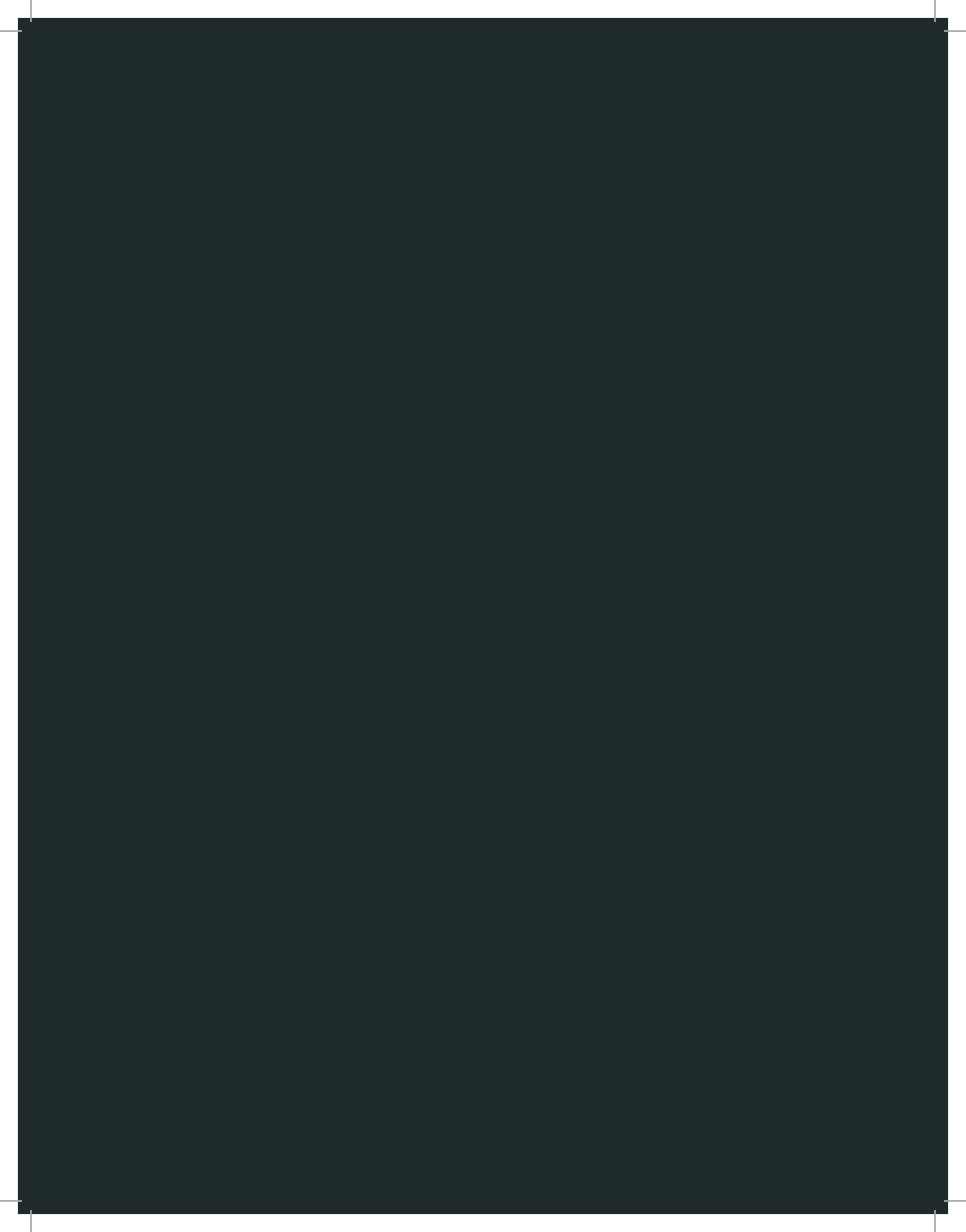
FACT



IF MAINLAND CHINA'S PER CAPITA GOLD JEWELRY CONSUMPTION INCREASED TO MATCH THAT OF **HONG KONG'S**, GLOBAL GOLD DEMAND WOULD DOUBLE OVERNIGHT FROM ROUGHLY 4,000 TONNES TO **8,000 TONNES!**

CONCLUSION

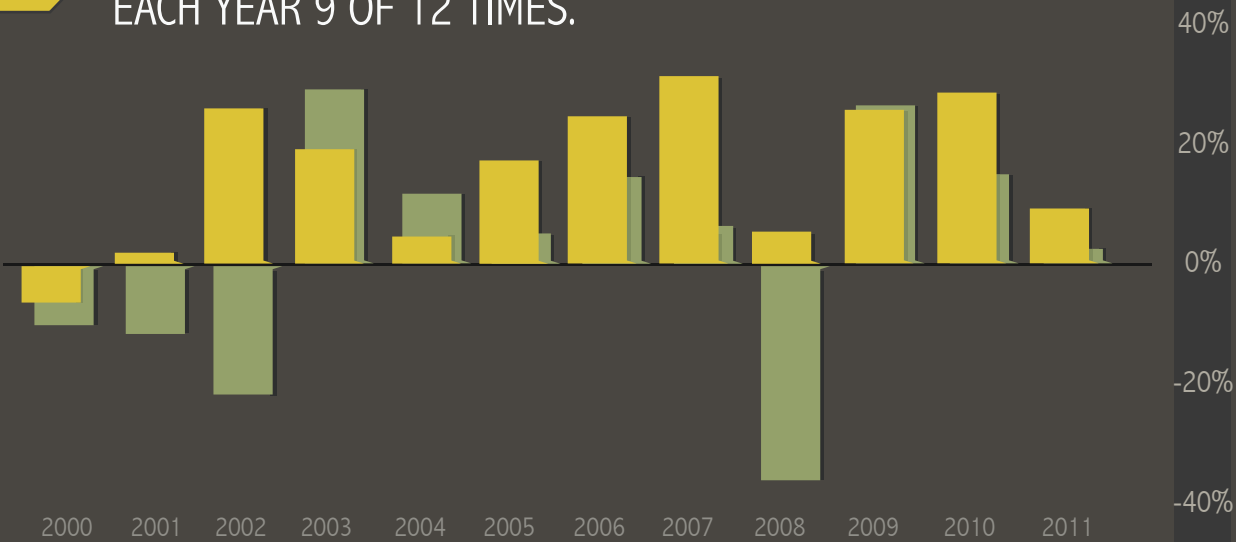
GOLD HAS BEEN USED AS JEWELRY SINCE ANCIENT TIMES AND IS STILL IRREPLACEABLE IN MANY CULTURES. GOLD ALSO FUELS TECHNOLOGY IN IMPORTANT ELECTRONICS AND OTHER USES.



PART 4

GOLD AS AN INVESTMENT

SINCE 2000, GOLD HAS OUTPERFORMED THE S&P 500 EACH YEAR 9 OF 12 TIMES.



BUYING GOLD IN 2000 WOULD HAVE YIELDED OVER A **600% RETURN** AT TODAY'S PRICES.



*Is gold a commodity or currency?
How does it behave as an investment?
What are the fundamentals of investing in gold?
What are the different ways investors can get exposure to gold in their portfolios?*

VISUAL CAPITALIST

GOLD: COMMODITY OR CURRENCY?

GOLD FITS THE TRADITIONAL DEFINITION OF A COMMODITY, BUT IT HAS ALSO BEEN USED AS A CURRENCY FOR MOST OF HISTORY. AS A RESULT, GOLD EXHIBITS SOME CHARACTERISTICS OF BOTH A **COMMODITY** AND A CURRENCY.

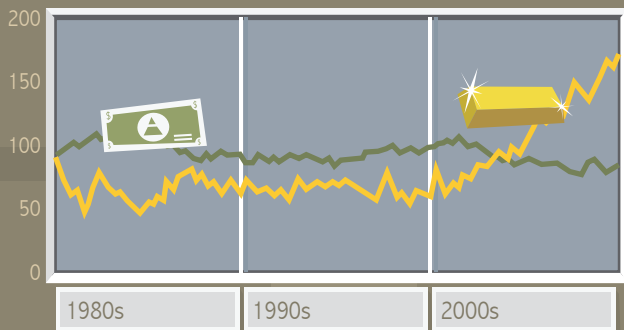


COM-MOD-I-TY

[KUH-MOD-I-TEE]

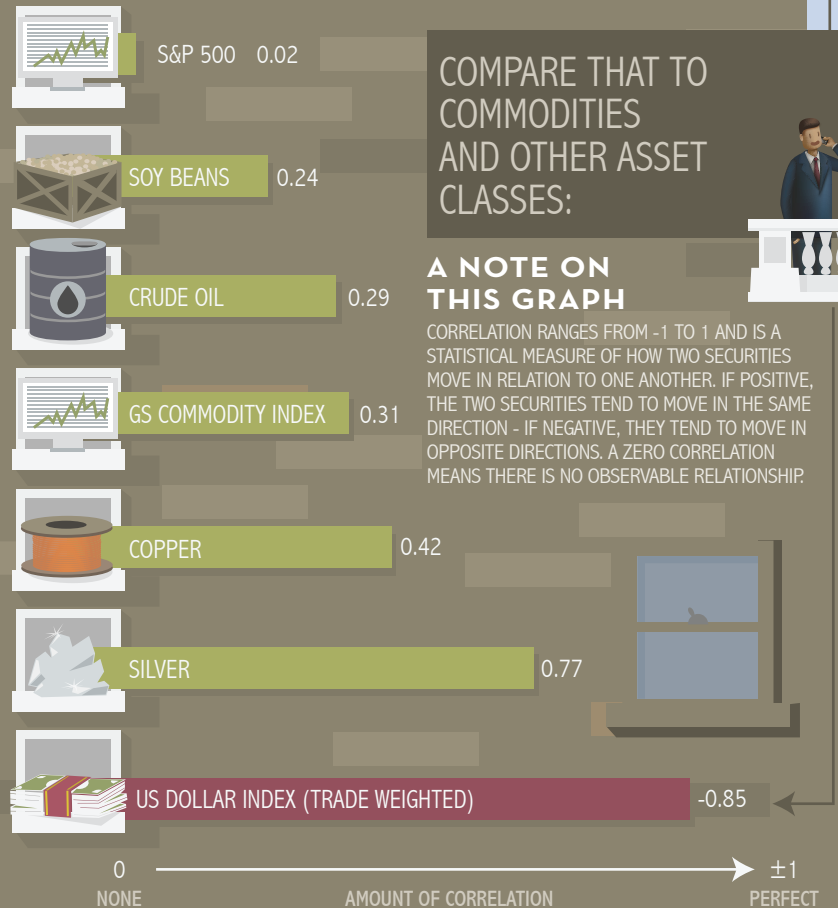
"THINGS OF VALUE, OF UNIFORM QUALITY, THAT WERE PRODUCED IN LARGE QUANTITIES BY MANY DIFFERENT PRODUCERS; THE ITEMS FROM EACH DIFFERENT PRODUCER ARE CONSIDERED EQUIVALENT."

IN THE LAST 30 YEARS, GOLD HAS HAD HIGH NEGATIVE CORRELATION (-0.65) WITH THE U.S. DOLLAR, WHICH SUGGESTS **IT BEHAVES LIKE A CURRENCY**



DOLLAR INDEX VS. GOLD INDEX

MORE RECENTLY, GOLD HAS HAD AN EVEN STRONGER NEGATIVE CORRELATION (-0.85) WITH THE TRADE WEIGHTED U.S. DOLLAR INDEX. (1999 - 2009)



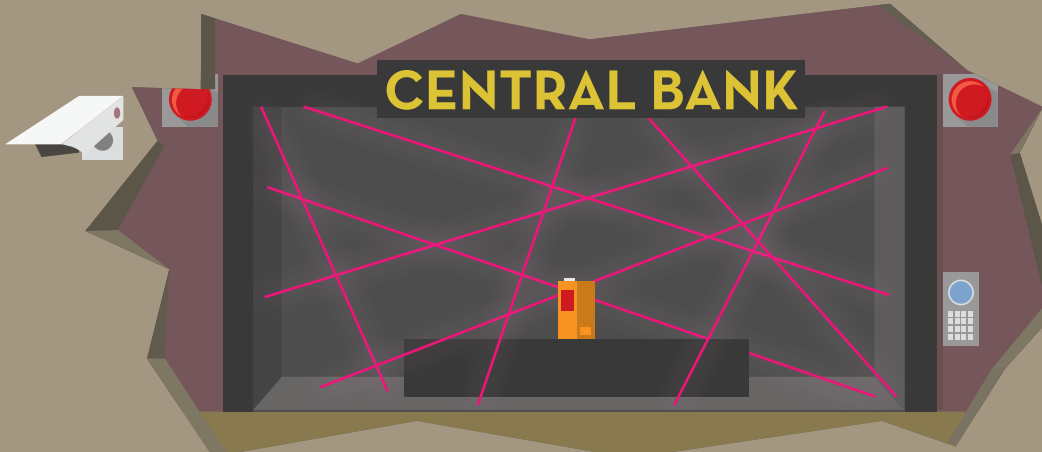
COMPARE THAT TO COMMODITIES AND OTHER ASSET CLASSES:

A NOTE ON THIS GRAPH

CORRELATION RANGES FROM -1 TO 1 AND IS A STATISTICAL MEASURE OF HOW TWO SECURITIES MOVE IN RELATION TO ONE ANOTHER. IF POSITIVE, THE TWO SECURITIES TEND TO MOVE IN THE SAME DIRECTION - IF NEGATIVE, THEY TEND TO MOVE IN OPPOSITE DIRECTIONS. A ZERO CORRELATION MEANS THERE IS NO OBSERVABLE RELATIONSHIP.

0 NONE → ±1 PERFECT
AMOUNT OF CORRELATION

GOLD IS ALSO HELD BY **CENTRAL BANKS** WHO HAVE TURNED INTO NET BUYERS SINCE 2010. TOGETHER, THEY HOLD AROUND 35,000 TONNES - OR ROUGHLY **20% OF ALL GOLD EVER MINED.**



YOU DON'T SEE THEM HOLDING ON TO COMMODITIES SUCH AS CONCENTRATED **ORANGE JUICE** FOR THEIR RESERVES.

GOLD INVESTING 101

GOLD HELPS DIVERSIFY A PORTFOLIO

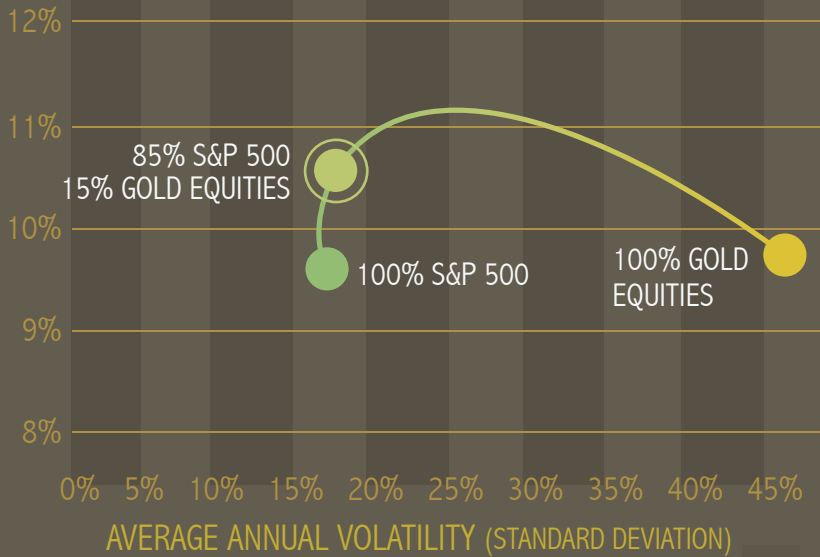
BECAUSE THE GOLD PRICE HAS LOW CORRELATION WITH MOST ASSET CLASSES AND IS DRIVEN BY DIFFERENT FACTORS, GOLD CAN HELP DIVERSIFY A PORTFOLIO.

OVER 40 YEARS, ADDING 15% GOLD TO THE PORTFOLIO WOULD HAVE HAD A HIGHER RETURN FOR THE SAME AMOUNT OF RISK.



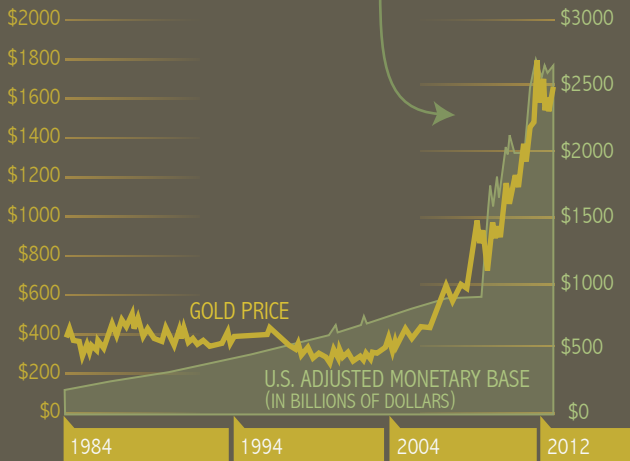
AVERAGE ANNUAL RETURN (US\$)

PORTFOLIO PERFORMANCE OVER 40 YEARS (1971-2011)



GOLD IS A HEDGE AGAINST INFLATION & CURRENCY DEVALUATION

AS THE MONETARY SUPPLY INCREASES, SO HAS THE PRICE OF GOLD.



PAST DUE

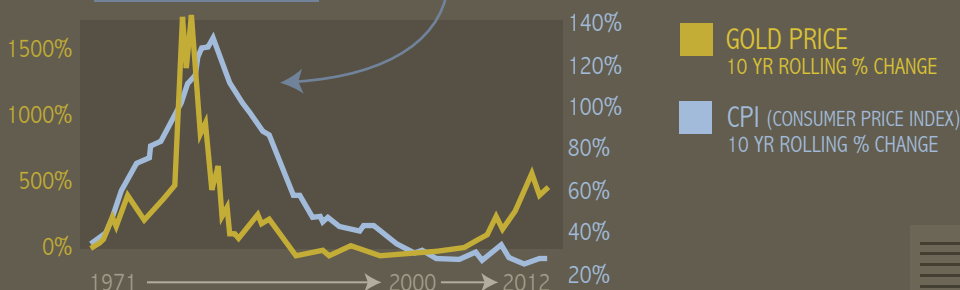
U.S. DEBT IS AT \$16 TRILLION AND GROWING. IF THE US ECONOMY IS NOT ABLE TO PAY THIS OFF THROUGH GROWTH, THEY WILL LIKELY HAVE TO FURTHER DEVALUE THE DOLLAR TO BALANCE THE BUDGET.

TOP 5 YEARS OF U.S. inflation (SINCE WWII)

1946 1974
1975 1979
1980

DURING THOSE FIVE YEARS

GOLD RETAINS ITS PURCHASING POWER WHEN THE COST OF GOODS RISES.



130.4%
THE AVERAGE REAL RETURN ON GOLD

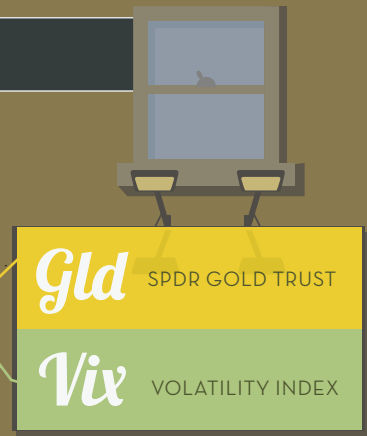
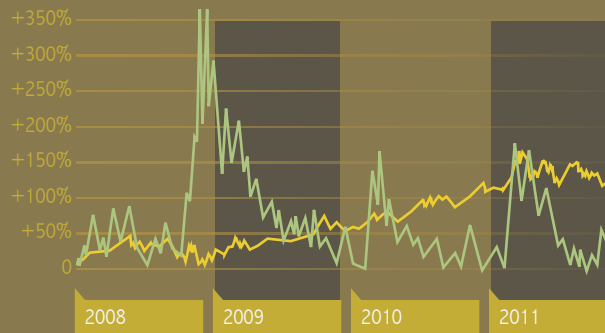
-12.33%
THE AVERAGE REAL RETURN ON STOCKS AS MEASURED BY THE DOW

YES, IT'S A HEDGE.

HISTORY HAS SHOWN GOLD TO HAVE SEVERAL PROPERTIES AS AN INVESTMENT:

GOLD HELPS PROTECT AGAINST VOLATILITY AND RISK

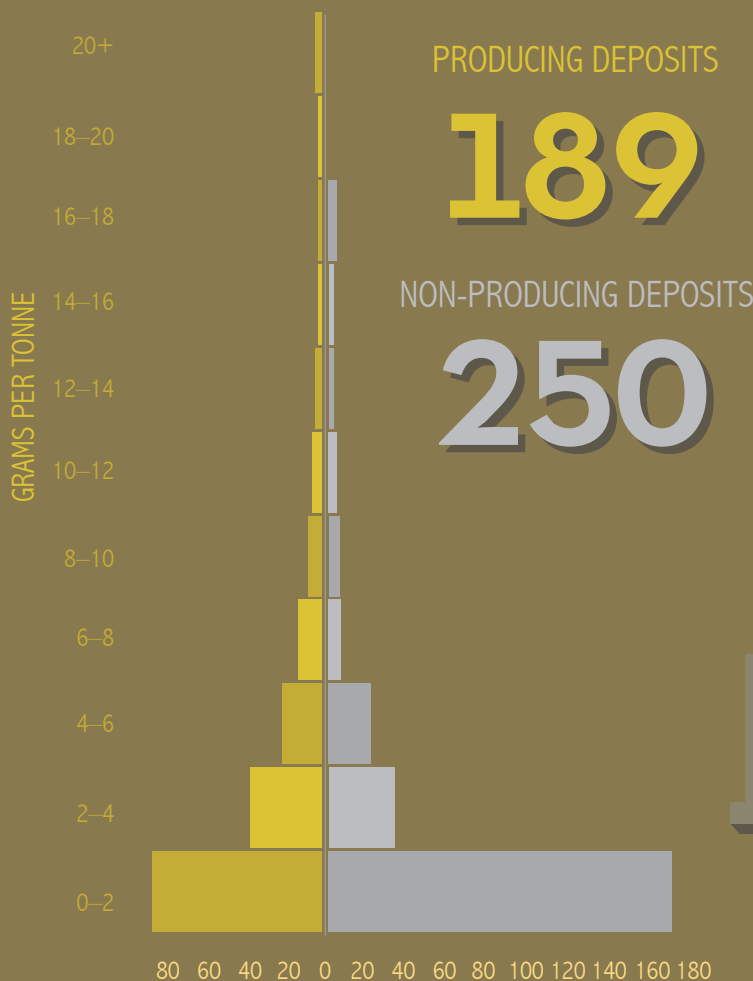
IN TIMES OF ECONOMIC, POLITICAL, OR SOCIAL UNREST, GOLD HAS TRADITIONALLY HELD ITS VALUE. HERE'S A LOOK AT GOLD JUXTAPOSED WITH VIX (THE VOLATILITY INDEX).



SUPPLY AND DEMAND

THERE ARE ONLY 439 GOLD DEPOSITS LEFT IN THE WORLD THAT ARE 1 MILLION OZ OR MORE, AND HIGH GRADE GOLD DEPOSITS ARE BECOMING INCREASINGLY RARE.

HERE IS THE DISTRIBUTION OF THE 439 DEPOSITS BY GRADE:

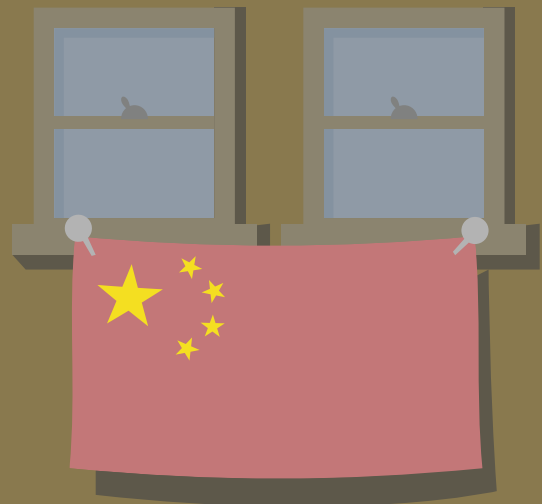


PRODUCING DEPOSITS

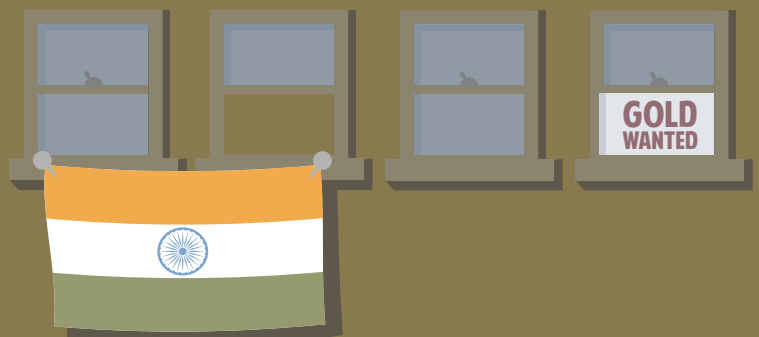
189

NON-PRODUCING DEPOSITS

250



AT THE SAME TIME DEMAND IS INCREASING. INCOME PER CAPITA IS RISING IN CHINA AND INDIA – THE TWO BIGGEST BUYERS OF GOLD ALREADY WORLDWIDE. EVEN CENTRAL BANKS ARE NOW NET BUYERS OF GOLD.



FACTORS AFFECTING THE PRICE OF GOLD

MACROECONOMIC FACTORS

- INTEREST RATES
- INFLATION
- GDP GROWTH
- DEBT
- ECONOMIC STRESS



SUPPLY & DEMAND MAGAZINE



10 GREAT SAFES!



SAVING AND DISPOSAL

PLAYS A BIGGER ROLE THAN CONSUMPTION
MOST GOLD IS NOT CONSUMED, BUT SAVED



GEO POLITICAL

CONFLICT



TENSION

UNCERTAINTY



SPECULATION MONTHLY

MANIPULATION!

SHORT SELLING!



NEWSPAPERS • MAGAZINES • SMOKES • DRINKS

NEWS NEWS NEWS NEWS NEWS NEWS

GETTING EXPOSURE TO GOLD

THERE ARE DIFFERENT WAYS TO GET EXPOSURE TO GOLD IN A PORTFOLIO — EACH HAVE DIFFERENT BENEFITS AND LEVELS OF RISK.

GOLD ETFS

EXCHANGE-TRADED FUNDS ARE INVESTMENT FUNDS THAT TRADE ON STOCK EXCHANGES. GOLD ETFS TYPICALLY TRADE GOLD FUTURES, STORE GOLD BULLION, OR REPRESENT GOLD EQUITIES.

ETFs ARE SIMPLE AND VERSATILE WAYS TO GET EXPOSURE TO GOLD IN A PORTFOLIO.



ETFs HAVE MANAGEMENT FEES AND COMMISSION FEES FOR EACH BUY AND SELL. SOME ETFs ALSO HAVE LIQUIDITY ISSUES OR COULD IN THE FUTURE.

GOLD BULLION

PHYSICAL GOLD SUCH AS BARS AND COINS.

+ TANGIBLE, PRIVATE, AND GIVE DIRECT EXPOSURE TO THE GOLD PRICE

- STORAGE CAN BE COSTLY AND HAS RISKS SUCH AS THEFT AND LIQUIDITY.



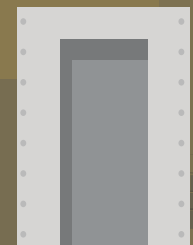
GOLD MINING

INVESTING IN COMPANIES THAT ARE MINING OR EXPLORING FOR GOLD

+ MAJOR GOLD MINERS ARE LIQUID, PROVIDE LEVERAGE, AND CAN ADD DIVERSIFICATION IF THEY HAVE EXPOSURE TO OTHER COMMODITIES. GOLD MINERS ARE PROFIT SEEKING COMPANIES, AND AS WITH ALL EQUITIES, CAN ALSO HAVE GROWTH UPSIDE OR PAY A DIVIDEND.

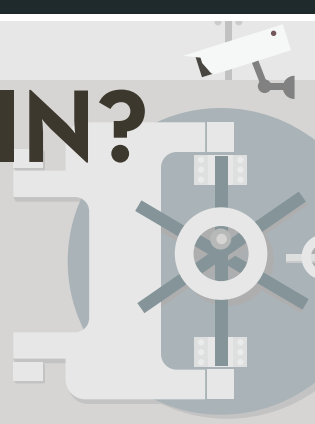
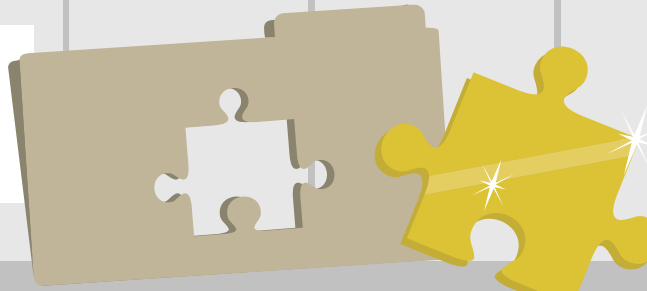
JUNIOR GOLD MINERS OFFER TREMENDOUS UPSIDE IF THEY FIND A NEW GOLD DISCOVERY OR GET BOUGHT OUT BY A MAJOR.

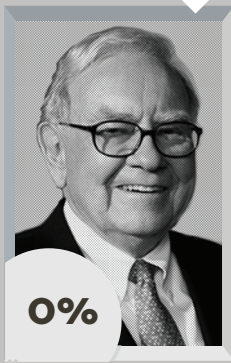
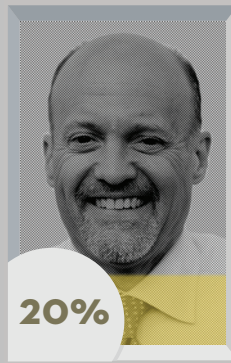
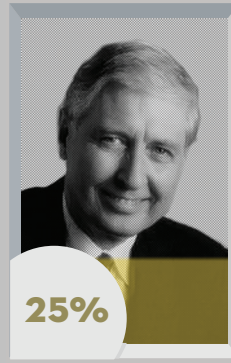

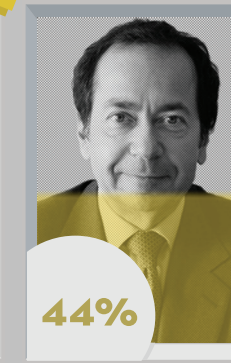
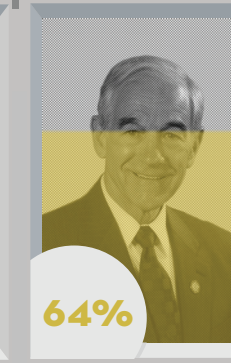

- ALL COMPANIES ARE NOT CREATED EQUAL AND THEREFORE MANAGEMENT IS THE BIGGEST RISK. POLITICAL RISK, CURRENCY RISK, AND MARKET CYCLES CAN ALSO AFFECT COMPANY VALUATIONS.



WHERE DOES GOLD FIT IN?

BELOW ARE THE GOLD POSITIONS OF SOME NOTABLE INVESTORS



 0%	 20%	 25%	 25%	 44%	 64%
<p>WARREN BUFFETT THE ORACLE OF OMAHA ISN'T GOLD'S BIGGEST FAN, BUT IF HE INVESTED HIS FORTUNE 10 YEARS AGO IN GOLD INSTEAD OF HIS OWN COMPANY, BERKSHIRE HATHAWAY, HE WOULD HAVE MADE A 440% VS. 82% GAIN.</p>	<p>JIM CRAMER THE FORMER HEDGE FUND MANAGER AND MAD MONEY PERSONALITY SAID TO CONSIDER A 20% GOLD PORTFOLIO ALLOCATION IN AUG 2012</p>	<p>HARRY BROWNE FOR HIS FAILSAFE PERMANENT PORTFOLIO, THE FAMOUS INVESTMENT ANALYST RECOMMENDED THE FOLLOWING:</p> 	<p>MARC FABER ACCORDING TO BULLIONVAULT IN OCT 2011, THE FAMOUS CONTRARIAN INVESTOR SUGGESTED THAT INVESTORS SHOULD ALLOCATE A QUARTER OF THEIR PORTFOLIO TO GOLD BULLION</p>	<p>JOHN PAULSON IN Q2 OF 2012, PAULSON HAD ALLOCATED HIS \$21 BILLION FUND TO 44% GOLD AND RELATED EQUITIES</p>	<p>RON PAUL IN DEC 2011, A WSJ ARTICLE REVEALED RON PAUL INVESTS 64% OF HIS PORTFOLIO IN PRECIOUS METAL STOCKS, INCLUDING 23 JUNIOR MINERS</p>



IN THE AUGUST 2012, GEORGE SOROS MADE HEADLINES BY DUMPING MAJOR US BANK STOCKS OF CITIGROUP, JP MORGAN, AND GOLDMAN SACHS TO BUY \$130 MILLION OF GOLD VIA SPDR GOLD TRUST (NYSE: GLD)

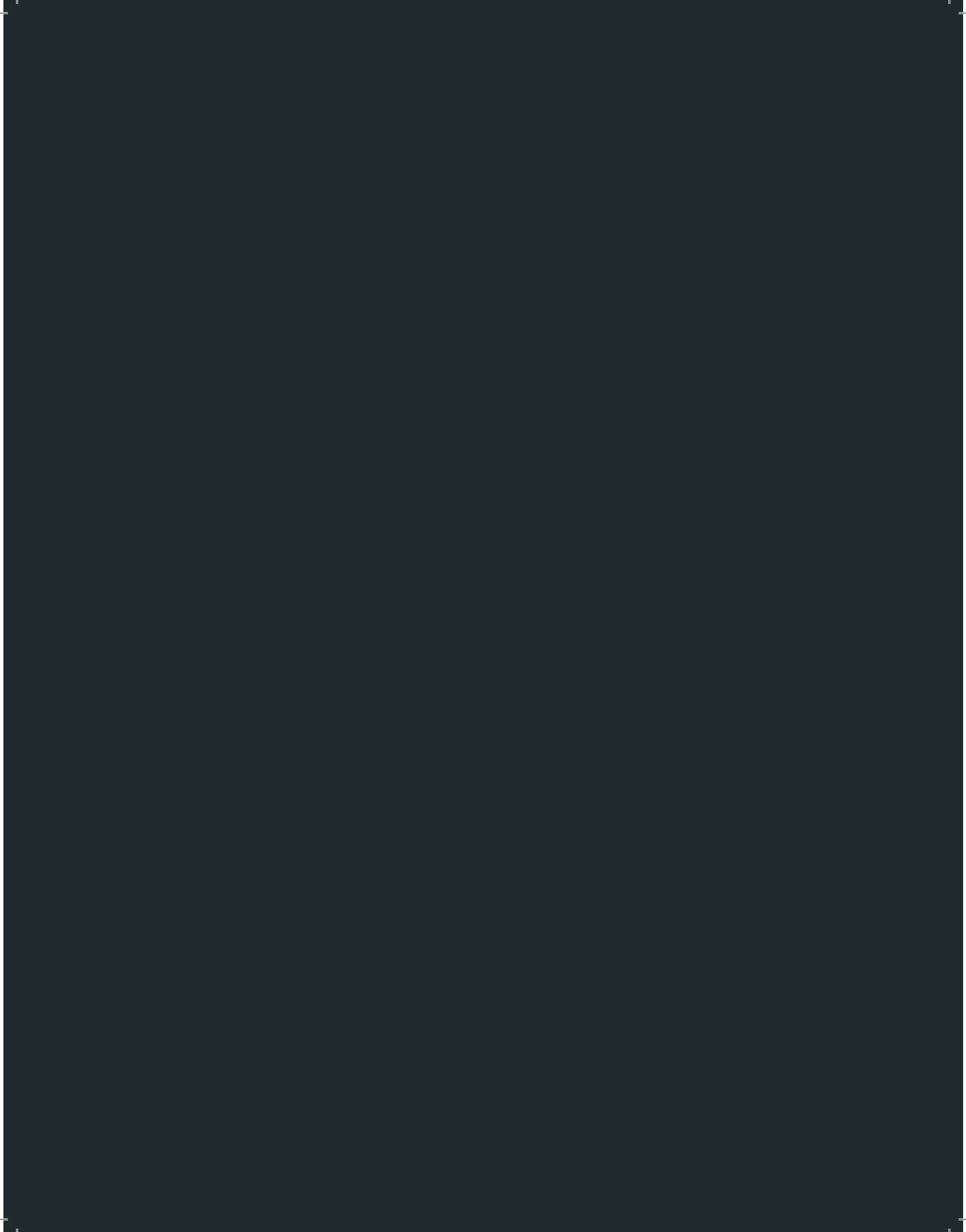
GOLD IS THE ULTIMATE STORE OF VALUE.

GOLD HAS A TENDENCY TO STAY STRONG EVEN IN THE FACE OF INFLATION, UNCERTAINTY, OR CURRENCY DEVALUATION.

AS CENTRAL BANKS CONTINUE TO INCREASE THE MONEY SUPPLY IN TODAY'S ECONOMIC CLIMATE, INVESTORS CONTINUE TO TURN TO GOLD AS A SAFE HAVEN FOR THEIR INVESTMENTS.

MEANWHILE, THE PRICE OF GOLD KEEPS RISING...





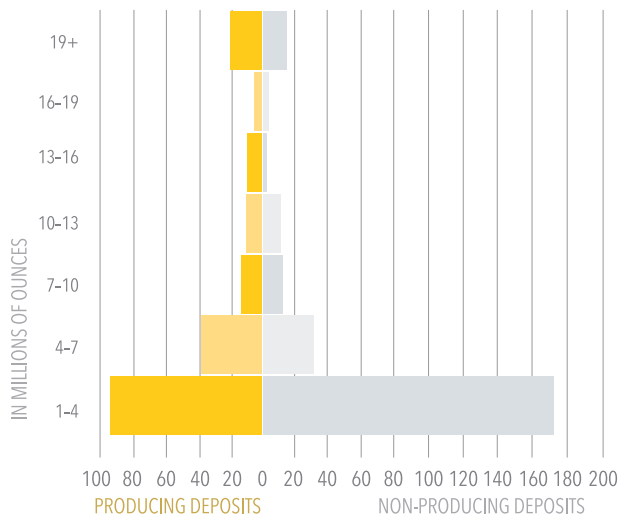
**2012 WORLD
2012 GOLD
DEPOSIT
RANKINGS**



WORLD GOLD DEPOSITS

THROUGH OUR RESEARCH WE HAVE IDENTIFIED 439 DEPOSITS THROUGHOUT THE WORLD THAT CONTAIN OVER 1 MILLION OUNCES OF GOLD.

HERE'S THEIR DISTRIBUTION BY DEPOSIT SIZE:

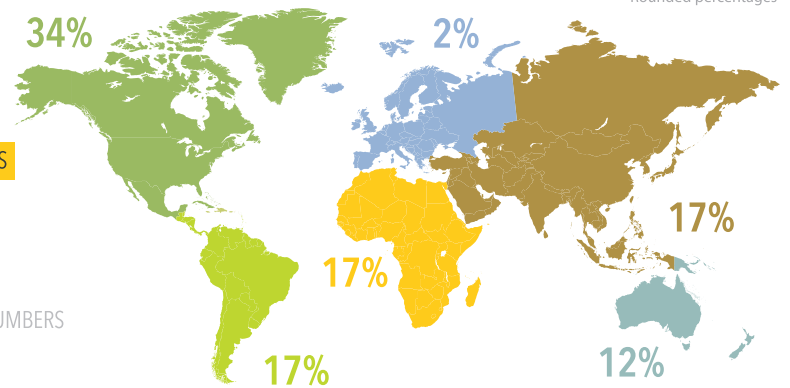


TOP TEN LARGEST DEPOSITS (MILLIONS OF OZ)

DEPOSIT NAME	GRADE G/T	CONTAINED OUNCES	LOCATION	PRODUCING	OWNERSHIP
PEBBLE	0.33	107.3	USA (ALASKA)		NORTHERN DYNASTY / ANGLO AMERICAN
GRASBERG	0.56	88.1	INDONESIA	✓	FREEPORT MCCORAN
KSM DEPOSIT	0.51	63.9	CANADA (BC)		SEABRIDGE GOLD
NATALKA	1.70	58.9	RUSSIA		POLYUS GOLD
LIHIR	2.10	56	PAPUA NEW GUINEA	✓	NEWCREST
MURUNTAU	2.49	50	UZBEKISTAN	✓	GOVERNMENT OF UZBEKISTAN
MPONENG	12.60	49.5	SOUTH AFRICA	✓	ANGLOGOLD ASHANTI
OLIMPIADA	3.22	47.5	RUSSIA	✓	POLYUS GOLD
OYU TOLGOI	0.38	46	MONGOLIA	✓	IVANHOE
DONLIN CREEK	2.21	45	USA (ALASKA)	✓	BARRICK / NOVAGOLD

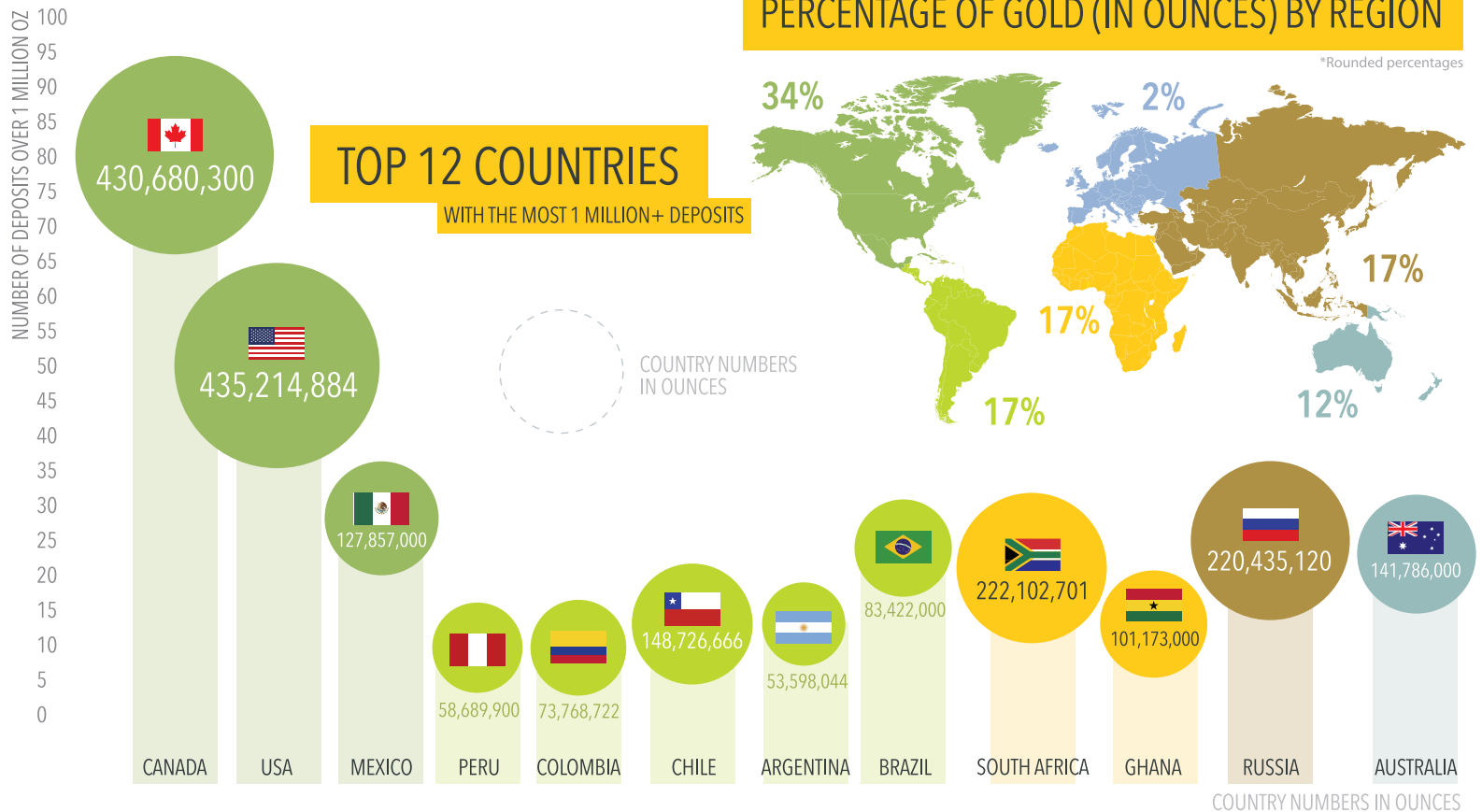
PERCENTAGE OF GOLD (IN OUNCES) BY REGION

*Rounded percentages



TOP 12 COUNTRIES

WITH THE MOST 1 MILLION+ DEPOSITS



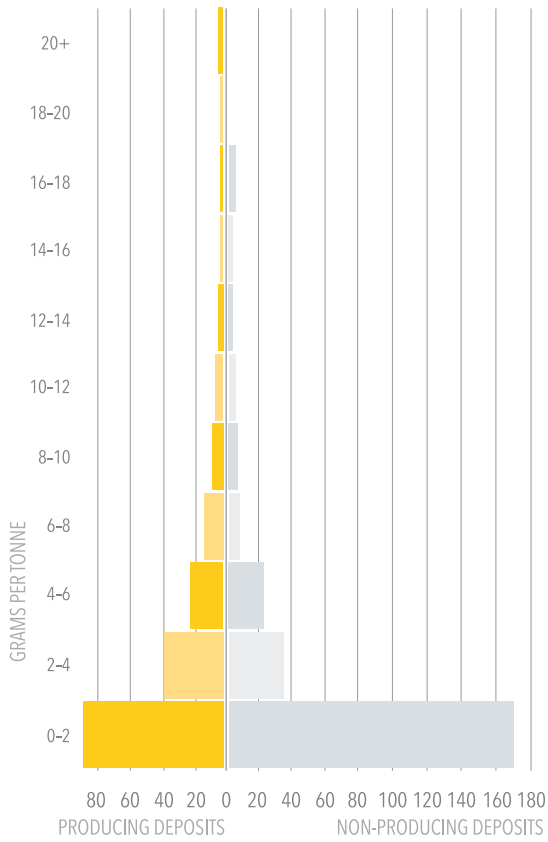
COUNTRY NUMBERS IN OUNCES

POSIT RANKINGS

DEPOSIT SIZE

THROUGH OUR RESEARCH WE HAVE IDENTIFIED 439 DEPOSITS THROUGHOUT THE WORLD THAT CONTAIN OVER 1 MILLION OUNCES OF GOLD.

HERE'S THEIR DISTRIBUTION BY GRADE:



189

250

AVERAGE GRADE (PRODUCING)

1.06

AVERAGE GRADE (NOT PRODUCING)

0.66

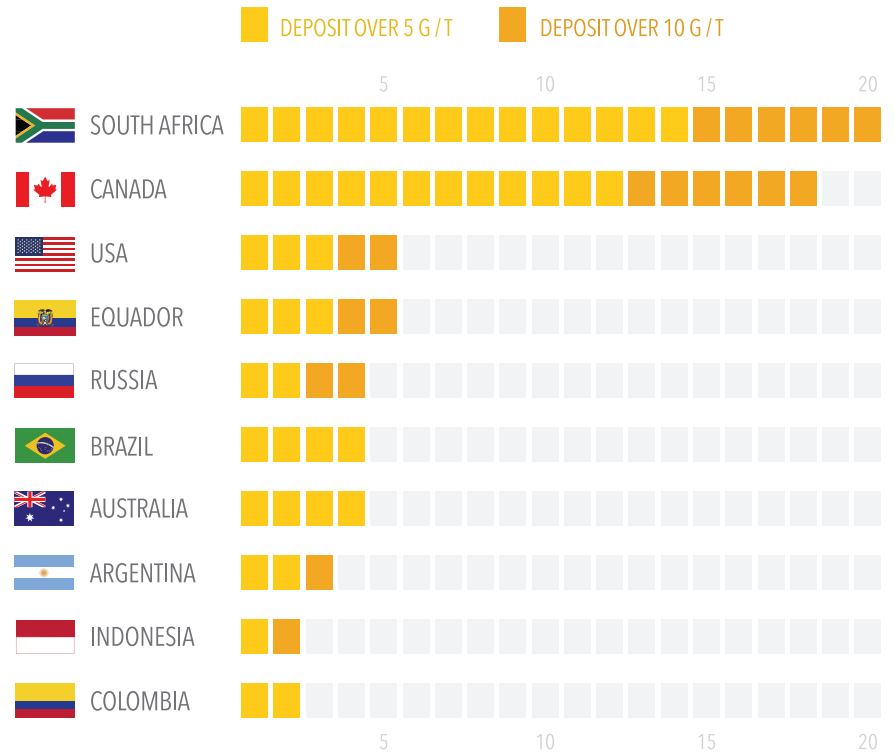
37% DECREASE FROM PRODUCING

AVERAGE GRADE (TOTAL)

0.82

NUMBERS IN GRAMS PERTONNE

TOP TEN COUNTRIES BY GRADE (GRAMS PERTONNE)



TOP TEN DEPOSITS BY GRADE (GRAMS PERTONNE)

DEPOSIT NAME	GRADE G/T	CONTAINED OUNCES	LOCATION	PRODUCING	OWNERSHIP
HOLLISTER	32.81	2.5	USA (NEVADA)	✓	GREAT BASIN GOLD
TAUTONA	23.03	4.9	SOUTH AFRICA	✓	ANGLOGOLD ASHANTI
MOAB KHOTSONG	21.37	20.3	SOUTH AFRICA	✓	ANGLOGOLD ASHANTI
SAVUKA	18.96	3.1	SOUTH AFRICA	✓	ANGLOGOLD ASHANTI
DVOINOYE	17.82	1.3	RUSSIA		KINROSS
BRUCEJACK	17.45	17	CANADA (BC)		PRETIUM RESOURCES
KENCANA	17.17	1.4	INDONESIA		NEWCREST
F2 DEPOSIT	16.55	2.8	CANADA (ONTARIO)		RUBICON MINERALS
KIRKLAND LAKE	16.39	2.3	CANADA (ONTARIO)	✓	KIRKLAND LAKE MINERALS
CERRO BLANCO	15.52	1.9	PERU		GOLDCORP



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