

## Why Invest in Gold?

Investors buy gold for many reasons; to protect their wealth from the impacts of inflation, recession, currency market upheaval, and financial market crises. Others buy gold to capitalize on the shifts in economic and financial markets. Given the ravages of financial markets worldwide in 2008 and 2009, buying gold has become the hedge of choice against calamity.

Whatever the reason, gold investors in general have done very well over most of the past few years due to their investments in gold and gold equities.

## How to Invest in Gold

There are many ways to invest in gold. Investors buy and hold gold bullion and bullion coins in their own possession or in secured depositories. Still others will invest in futures or options. Since 2005, exchange traded funds (ETFs) have become a common way for investors to buy gold, accounting for perhaps 20% of investment demand since 2006.

Many investors build exposure to gold prices by investing in gold company equities building portfolios that include a variety of these investment instruments. One advantage of equity ownership over an ETF is that the investment is more leveraged to growth as the price of gold rises.



*The chart above shows that an investment in CDNX companies consistently outperformed Gold until August of 2011. Do we now have a buying opportunity for Junior Gold Explorers*

## How to Invest in Gold Mining Companies

Investing in the shares of gold mining companies is one of the most interesting and exciting areas of stock market investing.

The nature of the company, and thus the nature of what investors should expect in terms of their potential return, risks, and length of investment vary greatly depending on the type of company in which the investor invests.

Most mining share investors diversify their portfolios by including major companies and mid-tier producers as the core of their mining share portfolio while also holding shares of higher risk/higher reward junior mining companies.



# Picking a Junior

If you are looking for a high-risk/high-reward junior exploration company there are three important factors "management, management, management".

Companies with grass roots exploration projects can't be evaluated in any monetary sense because there isn't anything of value...yet! That's why it's so important to choose a company with competent management, preferably with people who have a successful track record.

With that in mind, the investor should try to identify those companies that:

- are early stage emerging stories,
- are active in jurisdictions where government policies are supportive to mining,
- have sufficient funds to carry out exploration, or the ability to raise them and,
- have projects with potential. For instance, located in a proven mineralized areas like the Carlin Trend in Nevada or some other prospective "address".

In conclusion, the future of gold is extremely promising and if history is any measure gold will continue to be the storehouse of value it has always been through good times and bad. The bottom line is if the investor has done their due diligence they can greatly increase their chance of success when investing in gold.

**This Brochure is courtesy of:**



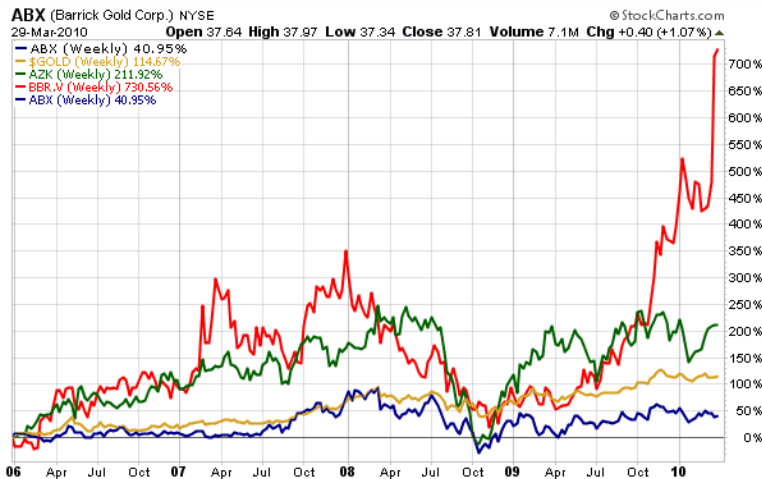
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**Caza Gold Corp.** (TSX.V: CZY; CZ6: FSE) is a new company focused on acquiring, exploring and developing prospective gold properties in Latin America. Caza's Management includes highly experienced geologists with proven business and technical success and several ore deposit discoveries. Our goal is to create shareholder value by discovering and acquiring gold projects that have the potential to become large tonnage or high grade gold mines. Caza currently controls more than 200,000 hectares, which cover at least 9 very large high sulfidation style gold systems, in the highly prospective Central Nicaraguan Gold Belt. The company is also continuing its exploration drilling program on the new gold discovery at the Balleza target within the Moris Property in Mexico.

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# GOLD



The figure above shows, an investment in a well-chosen junior mining company can potentially add significant value to a portfolio. Aurizon Mines (AZK) outperformed Barrick Gold by over 150% in 2009. In the same period, the highly valued properties of Brett Resources (BBR) resulted in a gain of over 700%. These examples cannot be guaranteed, however, they show the upside potential of investing in the shares of junior gold mining companies.

