

THE STORY OF GOLD

ORIGINS, HISTORY, MINING, VALUE
& APPRECIATION



Gold is one of humanity's oldest and most enduring treasures. From its cosmic birth to its modern role in global finance and industry, gold has shaped civilizations, economies and cultures. This article explores gold's origins, extraction, value and long-term investment appeal.

WHERE GOLD ORIGINATES



Cosmic origins: Gold is created in extreme cosmic events such as supernova explosions and neutron-star collisions. These events forge heavy elements, including gold, which later become part of forming planets.

Arrival on Earth: Much of Earth's gold likely arrived during the Late Heavy Bombardment - a period when meteorites rich in gold and other metals struck Earth.

Where it's found today: Gold is distributed in the Earth's crust and is often concentrated by geological processes, such as volcanic activity, erosion and hydrothermal events.



A Brief History of Gold



Ancient civilisations: Gold has been used for at least 5,000 years, valued by societies such as the Egyptians, Sumerians and Chinese for jewelry, currency & ritual objects.

First gold coins: Minted around 600–700 BCE in Lydia (modern Turkey).

Gold standard era: Many nations linked their currencies to gold in the 19th and early 20th centuries. The U.S. fully ended this system in 1971, moving global finance to fiat currency.

Modern use: Today gold remains essential for jewelry, investment, electronics, aerospace, dentistry and medical applications.

How Gold is Mined

Exploration: Geologists search for potential gold deposits using mapping, drilling, sampling and satellite data.

Extraction: Gold is mined using several methods:

- **Open-pit mining:** Large pits excavated for near-surface deposits.
- **Underground mining:** Tunnels and shafts for deep deposits.
- **Placer mining:** Extracts gold from alluvial deposits in riverbeds and sediments.

Processing: The gold is separated from ore:

- **Crushing & grinding:** Ore is reduced to fine particles.
- **Chemical extraction:** Commonly cyanidation or carbon-in-pulp processes.
- **Smelting & refining:** Produces high-purity bullion.



How the Gold Price Has Increased Over the Years



Early 1900s: Gold was fixed at \$20 per troy ounce under the gold standard.

1934: The U.S. raised gold's official price to \$35 per ounce.

1971: Gold began trading freely; prices rose sharply due to inflation and economic turmoil.

1980: Hit then-record highs during global instability.

2000–2020: Experienced long-term growth driven by investment demand, financial crises and geopolitical tensions.

Overall trend: Despite short-term fluctuations, gold has shown a consistent upward trajectory over decades, often acting as a hedge during economic uncertainty.

Why a Troy Ounce Is Different From a Standard Ounce

Troy ounce (used for precious metals): **31.1035 grams**

Avoirdupois (standard) ounce: 28.3495 grams

The troy measurement system dates back to medieval European markets. Precious metals still use the troy system to maintain global consistency and avoid confusion in trading.



How Gold Gets Its Value



Scarcity: It is rare in the Earth's crust.

Durability: Gold doesn't rust or corrode.

Malleability: Easily worked into jewelry, coins and components.

Industrial demand: Electronics, medical devices, aerospace.

Monetary role: Central banks hold gold as a reserve asset.

Cultural: Widely used in jewelry and ceremonial items worldwide.

Investor perception: Seen as a "safe haven" asset during crises.

Why Gold Is Worth Investing In

Store of value: Retains purchasing power over long periods.

Hedge against inflation: Historically rises when currency values fall.

Safe-haven asset: Performs well in economic or geopolitical turmoil.

Diversification: Reduces risk as gold moves differently from stocks.

Liquidity: Can be easily bought or sold in global markets.

