3 Gold Miners to Consider for Your Portfolio

Description

The last three years have not been a good time to invest in gold stocks. Not only has the price of gold itself plummeted, but the miners have not done themselves any favours either. With the sector so bruised and battered, are there bargains to be had? Below we take a look at three potential opportunities.

1. Kinross

Kinross Gold (TSX: K)(NYSE: KGC) has been a poster child for what's gone wrong in the gold mining industry. The problems started in 2010, with the disastrous $8 billion purchase of Red Back Mining. That acquisition, as well as a botched project in Ecuador, cost CEO Tye Burt his job in 2012.

More recently, Kinross has gotten caught up in the controversy surrounding Russia, where the company gets about a third of its production. Kinross has even ignored calls from the Harper government to boycott the country. The future remains very uncertain.

So what is there to like about Kinross? The main thing is its share price, which was trading above $20 in 2009 but now trades below $4.50. At this price, you'd be paying about $2,500 per annual ounce of production. That's not a bad deal, especially compared to a few years ago.

2. Agnico Eagle

A much more responsible actor over the past few years has been **Agnico Eagle** (TSX: AEM)(NYSE: AEM). The company never made a transformational acquisition like Kinross or **Barrick Gold** (TSX: ABX)(NYSE: ABX) did, which has allowed it to navigate the storm much more easily. In fact, Agnico Eagle has been playing offensively over the past year, looking to scoop up cheap assets as so many others were selling desperately.

Two months ago, Agnico Eagle scored a big prize, nabbing Osisko Mining in a joint takeover with **Yamana Gold** (TSX: YRI)(NYSE: AUY). It was the kind of opportunity that wasn't available to companies like Kinross or Barrick.

The one issue with the company is its stock price, which has been essentially flat over the past two years. While this is impressive, it means you're less likely to get a bargain.

3. Eldorado

Getting back to struggling companies, **Eldorado** (TSX: ELD)(NYSE: EGO) has had its issues over the past couple of years. The miner has projects in countries as diverse as Brazil, China, Turkey, Romania, and Greece. Predictably, this has led to issues, and the gold price drop hasn't helped either. Just last July, Eldorado slashed its exploration budget by about half and its capital budget by more than a third.

However, one thing to like about Eldorado is its share price, which has fallen by about two-thirds since gold was at its peak.

At the end of the day, any of these companies is a serious gamble. If you're looking to bet on the price of gold, you may want to stick with an ETF.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:EGO (Eldorado Gold Corporation)
3. NYSE:KGC (Kinross Gold Corporation)
4. TSX:AEM (Agnico Eagle Mines Limited)
5. TSX:ELD (Eldorado Gold Corporation)
6. TSX:K (Kinross Gold Corporation)

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