



3 Reasons to Invest in Eldorado Gold Corp

Description

With seven producing mines and six development projects, **Eldorado Gold Corp** ([TSX: ELD](#))([NYSE: EGO](#)) is positioned for sustainable growth.

The company's focus is increasing production at consistently low costs and it offers a solid opportunity to invest in the gold industry. Here are three reasons why you should consider buying shares of Eldorado Gold.

1. Global portfolio

Eldorado Gold has operating mines in Brazil, Greece, Turkey, and China. The company also has development projects in Brazil, Greece, Romania, and China.

In Turkey, Eldorado is advancing its Kisladag project — the largest gold mine in the country. A gold-porphry deposit, the company has 100% ownership of this mine. In 2013, Kisladag had gold production of 306,182 ounces. For Q2 2014, Kisladag produced 76,980 ounces of gold. Eldorado Gold has approval to expand the mine up to a production rate of 35 million tonnes per year. The company is going ahead with a planned expansion to 20 million tonnes.

In China, Eldorado is advancing the Eastern Dragon project in which it is partnered with CDH Investments. It has a 20% non-operating interest for \$40 million. The expectation is that Eastern Dragon construction will be completed in 2015 and that production will start that year as well. Based on current proven and probable reserves, production at Eastern Dragon is estimated at 70,000 ounces of gold per annum and the expected mine life is 11 years.

2. Cost control

For the past five years, Eldorado Gold has maintained costs in the lowest quartile. In 2013, the company had an average cost of \$505 per ounce, in comparison to the industry average of \$708 per ounce. Furthermore, roughly 60% of its production was under \$600 per ounce, and four of five mines were below the industry average.

For Q2 2014, all-in sustaining cash costs averaged \$829 per ounce. Eldorado Gold CEO Paul Wright said, “cash operating costs continue to remain in the bottom quartile of the gold industry at \$489 per ounce.”

3. Use of capital

Eldorado Gold’s exploration spending is distributed resourcefully across its operating areas. Greece accounts for 30% of spending, followed by China (22%), Romania (14%), Brazil (13%), Turkey (12%), and other areas (9%).

The company is deploying funds to increase production at Kisladag and Efemcukuru in Turkey. At Kisladag, Eldorado is evaluating different options to optimize mine and plant throughput. Efemcukuru is a high-grade gold, underground operation in western Turkey. Process design work is taking place at Efemcukuru to increase mill throughput to approximately 500,000 tonnes per year.

At its Skouries project in Greece, Eldorado Gold is advancing construction. Skouries is a high-grade gold-copper porphyry deposit in northern Greece. In Q2 2014, major concrete placements commenced at this project. In addition, the semi-autogenous grinding mill foundation was completed. The initial phase at Skouries consists of a small, open pit and the anticipation is that production will begin in 2016.

With a well-balanced international portfolio, Eldorado Gold Corp offers geographical diversification in the gold sector for investors.

In addition, the company is highly liquid, with liquidity of approximately \$1 billion. Eldorado Gold pays a modest semi-annual dividend so there’s income to be earned from this stock as well.

CATEGORY

1. Investing

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1. NYSE:EGO (Eldorado Gold Corporation)
2. TSX:ELD (Eldorado Gold Corporation)

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