



Buy Goldcorp Inc. If You Believe in Gold

Description

If you're a believer in gold as an investment, or at the very least, as a store of value, you should seriously consider starting a position in **Goldcorp Inc.** (TSX:G)(NYSE:GG) because I view this company as the best gold mining company in the world.

Those are pretty intense words, but by the end of this article, I think you might agree with me. There are a few reasons that support this argument.

1. Production

Goldcorp is producing a ridiculous amount of gold. In 2014 it pulled 2.87 million ounces out of the ground, which was a record. But now Goldcorp expects to beat that record in 2015 by pulling up to 3.6 million ounces out of the ground.

One of the big contributing factors to all of this is that its Éléonore mine is finally operational. It's taken some time, but now it's expected to produce 300,000 ounces a year.

2. Efficiency

In 2014 Goldcorp revealed that its all-in-sustaining costs (AISC) was \$949/ounce. That makes it one of the most efficient gold miners out there. What AISC really means is that it will cost Goldcorp \$949 to get an ounce of gold, from start to finish, to market.

What's even better is that Goldcorp is predicting that its AISC in 2015 will be at least \$949, but it could drop to as low as \$875. What this means is that every dollar Goldcorp shaves off its AISC is an additional dollar of potential profit. If it gets the gold at \$875 and sells the gold at \$1,200, you can see where the money is.

3. Its dividend is ready to shine

Like its resource, the dividend is ready to shine. Right now, it pays a 3.03% yield to its investors. However, I expect that to go up because a lot of the company's capital expenditure projects are coming

to an end, which means that cash flow is going to rise.

And, like I said above, if you are a bull on gold, then this dividend is going to go up when the price of gold goes up also. At the end of the day, Goldcorp's business is very straightforward: be as efficient as humanly possible; invest in only the top mines out there; and sell the gold.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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