



## B2Gold Corp. Nearing All-Time Highs: Can it Go Higher?

### Description

**B2Gold Corp.** ([TSX:BTO](#))(NYSE:BTG) is a relatively young mining company; it was added to the TSX following the financial crisis in 2009. Since its inception as a publicly traded company, investors who got in at the IPO have seen their money increase by over 1,000% as B2Gold has been successful in delivering high-quality production to the market.

### Excellent mine production and capacity additions

In the mining business, cost control and margins are of the utmost importance in creating a sustainable competitive advantage in commodity extraction. Given the fact that all producers are forced to sell their gold at the same price, having the lowest cost of production is what sets the best mines apart from the mediocre.

In B2Gold's case, the company has based its model on bringing on top-end expertise to build the most cost-efficient and profitable mines possible. The management team, led by Clive Johnson (formally of Bema Gold, which got acquired by **Kinross Gold Corporation** for US\$3.1 billion in 2006), has a solid track record of finding unique value situations, and producing high-quality and profitable mines.

The mines B2Gold has built are in areas that other companies have largely ignored, including Mali, Namibia, the Philippines, and Nicaragua. In combination with its existing mines, which I believe to be largely underappreciated by the market, the company's newest mine currently under construction in Mali is expected to be an exemplary mine upon completion, amid some political uncertainty.

The company's most recent financials speak for themselves:

- It had cash operating costs of \$491 per ounce — \$73 per ounce lower than budgeted and \$93 per ounce lower than the same quarter last year.
- Its all-in sustaining costs were \$702 per ounce — \$134 per ounce below budget and \$236 per ounce lower than the same quarter last year.
- It expects a reduction in operating costs in 2017, inclusive and exclusive of the new mine in Mali.

If Mr. Johnson can indeed put another fantastic mine together in Mali, shareholders can expect to reap

the rewards moving forward. The company has yet to provide a dividend and has been solely growth focused; in the midst of a largely uncertain time for commodity prices, any time a mining company can provide a solid growth profile to investors, along with strong margins and excellent management, in the long term, shareholders should be well rewarded.

Stay Foolish, my friends.

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chrismacdonald

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