



This Canadian Gold Mining Junior Is Poised to Soar in 2018

Description

Canadian junior gold miner **Seabridge Gold Inc.** ([TSX:SEA](#))([NYSE:SA](#)) continues to surge ahead as its high-quality assets garner considerable attention from investors and its stock soars because of firmer gold. Despite Seabridge's stock soaring by almost 15% over the last year, there appears to be plenty of upside ahead for the company and its investors. This makes now the ideal time for investors seeking exposure to gold to acquire Seabridge.

Now what?

Seabridge is primarily focused on developing the Kerr-Sulphurets-Mitchel, or KSM gold project located in British Columbia, which has reserves of 38 million ounces of gold and 10 billion pounds of copper. It is the world's largest undeveloped gold/copper project by reserves, endowing Seabridge with considerable potential upside if it is able to successfully execute its development.

Along with Seabridge's other assets, KSM gives the miner total gold reserves of 45 million ounces, placing it among the top 10 gold companies globally.

More important, the KSM property and Seabridge's other assets are in the mining friendly and relatively low risk jurisdiction of Canada. When **Tahoe Resources Inc.'s** ([TSX:THO](#))([NYSE:TAHO](#)) [problems](#) in the risky Latin American jurisdictions of Guatemala and Peru are considered, it highlights just how important this can be.

The miner experienced a very successful 2017 drilling program, which saw it make new gold discoveries at its gold properties and upgrade its resources estimate. This bodes well for future reserve upgrades, which along with higher gold prices will lift the net asset value of Seabridge's properties. Its reserves and resources have a solid history of growing at a faster rate than the volume of shares outstanding, thus underscoring that its strategy for unlocking value for investors is working.

These factors should give Seabridge's stock a healthy lift over coming months, particularly with gold tipped to [remain firm](#) over the course of 2018.

This becomes even more apparent when one considers that Seabridge has one of the most attractive

valuations among its peers, with its enterprise value equal to US\$14 per ounce of gold reserves. Compared this to US\$200 or more for miners such as **New Gold Inc.**, **Yamana Gold Inc.**, and **Kinross Gold Corporation**.

Nevertheless, unlike Seabridge, those companies have multiple mines in operation, gold production, and generating cash flow, which means there is a premium payable for that aspect of their operations.

In an industry where exploration and new mine development slowed to a near standstill because of the prolonged gold slump, there's a shortage of projects available for major gold miners seeking to boost their reserves and future production now that gold has entered a new bull market. Analysts claim that the majors need a flood of new projects if they are to replace depleting production. That makes Seabridge and its high quality KSM property an attractive acquisition.

Notably for a junior gold miner and explorer, Seabridge has a solid debt-free balance sheet with greater than \$20 million in working capital at the end of December 2017.

So what?

In the current optimistic operating environment for gold, it's not difficult to see Seabridge attracting considerable attention from a gold major as they move to shore up their [future production](#). Any such interest would give Seabridge's stock a healthy boost.

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