



## Invest in This Gold Miner for Long-Term Growth

### Description

Gold miners are peculiar stocks for investment.

Precious metal investors will note the tangible joy brought on by buying something shiny, rare and in demand as a key reason to invest in miners. After all, we've been hoarding gold as a store of wealth for as long as we've been able to mine the metal from the earth, and during market uncertainty, we tend to deviate back to the comfort of that cold, shiny metal.

Over the course of the past two weeks we've had more than our fair share of ups and downs in the market, and despite the opportunity to pick up some [great stocks for a discounted price](#), many traditional investors are looking back to gold and, by extension, gold miners as a safer store of wealth.

Holding gold as a store of wealth is something that has come under fire in the past year, predominately as [crypto-enthusiasts](#) have proudly proclaimed their returns in 2017, which pale in comparison to even the best-performing stocks.

### Are gold miners still sound investment options?

The simple answer is yes, but not for the reasons you may be thinking.

Gold has a variety of applications, from lining the motherboards of computers to insulation for construction. Demand for these, as well as more traditional applications such as jewelry, are on the rise, particularly in growing economies such as India and China.

Last year China accounted for one-third of global jewelry demand, with gold jewelry accounting for nearly 700 tons. And with renewed market uncertainty, prices are set to continue rising.

Some pundits view the price of gold could surpass US\$1400 per ounce this year, or even higher, making a good case for investment.

**Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) is an established leader in precious metals mining. Following the epic collapse of gold prices in 2011, Barrick refocused efforts on becoming efficient and

trimming down what was a massive debt burden.

Barrick has made impressive strides in both regards, halving its debt over the course of the past few years while becoming one of the most efficient miners on the market with all-in sustaining costs that are the envy of the industry.

Barrick does have its share of problems. The Pascua-Lama mine on the border between Chile and Argentina has had ongoing problems that culminated last month in the Chilean environmental regulator ordering Barrick to shutter the Chilean above-ground operation.

Barrick is set to report fourth-quarter results later this week, but has already announced that it would be taking a \$429 million charge on the mine because of lower production.

Despite these setbacks, the long-term prospects for Barrick are strong. Barrick has an impressive inventory of mines that will give the production levels that investors expect. Those production figures may be smaller in the short term, but the focus for investors should be on the longer-term, where Barrick has already proven it can excel.

Until those production numbers improve, investors should take advantage of the discounted price of the stock, which is now 8% down year-to-date and an incredible 35% down year-over-year.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

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## Date

2025/07/05

## Date Created

2018/02/13

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