



Grow Your TFSA With These 3 Booming Gold Stocks With 1-Year Returns as High as 75%

Description

With the U.S. dollar weakening, as expectations on the extent of [interest rate hikes](#) has moderated, we have seen gold prices rally again.

In late 2011, gold prices peaked at close to \$1,900 per ounce then retreated steadily to levels of just over \$1,000 per ounce at the end of 2015. Prices are currently just shy of \$1,300 per ounce.

There are certainly many questions that remain with respect to where gold is going from here, but one thing is certain: the industry has suffered through a period of record production and declining demand.

And in response, gold companies have worked hard at reducing costs and improving balance sheets, which leaves them well positioned to reap the rewards of rising [gold prices](#).

Gold stocks, as we can see in this chart, have significantly outperformed the **S&P/TSX Composite Index** on average in the last year, and in two cases the stocks have generated massive capital gains for shareholders.

	One-Year Return
Agnico-Eagle	-9.5%
Kirkland	+75%
OceanaGold	+28%
Average	+31.2%
S&P/TSX	-8.9%

So, if you believe gold prices will continue to rally and that gold stocks will continue to outperform the TSX, here are three gold stocks to consider.

Agnico-Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#))

Agnico-Eagle's latest results came in well above expectations, as it continues its quest for operational excellence and cost reductions.

Historically, the company has been a consistent top performer, with solid operational performance and an industry-leading cost structure, which has driven consistently better-than-expected results.

At this point, Agnico is on the verge of starting production from two new mines, Ameruq and Meliadine, with estimates for production growth of 31% from 2017 to 2021, according to some analyst estimates. This puts it at the top of the list among gold producers of its size for production growth.

On the risk side, Agnico-Eagle has the lowest political risk profile of its peer group, with gold mines in politically safe areas such as northwestern Quebec, northern Mexico, Finland, and Nunavut, and exploration activities in Canada, Europe, Latin America, and the United States.

Kirkland Lake Gold ([TSX:KL](#))([NYSE:KL](#))

The \$7.4 billion Kirkland Gold is achieving production momentum, as it surpasses 2018 production targets and achieves a 21% increase.

With mines in Canada and Australia, Kirkland also represents a lower-risk way to play the gold space.

This is a high-quality stock that has shown operational excellence and that can be expected to continue to see strong production growth, decreasing costs, and a rising dividend.

OceanaGold ([TSX:OCG](#))

For the investor who is perhaps looking for more risk for the potential of a higher return in the gold space, attractively valued OceanaGold is a good option.

OceanaGold is delivering stellar results, with production grades and recoveries continuing to beat expectations. Although costs have been creeping up, production out of the Haile mine in South Carolina has been ramping up, and this has served to lower the risk profile of the stock.

As the kinks are being worked out at this new mine, it is my belief that we will see strong upside to the stock.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)
3. TSX:OGC (OceanaGold Corporation)

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