



4 Top Discounted Mining Stocks to Consider This Weekend

Description

With share prices falling in some of the best mining stocks on the TSX index, capital gains investors have some bargains to choose from at the moment. But what kinds of growth rates in terms of annual earnings can would-be investors expect from discounted mining stocks such as these? With gold and silver potentially set to have a good 2019, value opportunities abound for traders looking for upside from the Canadian precious metals and mining industry.

Guyana Goldfields (TSX:GUY)

Discounted by more than 50% when comparing net present value with its future worth in terms of cash flow, Guyana Goldfields is trading at half its book price with a market-beating P/E of 9.3 times earnings. But do these low multiples signify an attractive undervaluation, or are they in fact symptomatic of a value trap?

Down 9.37% in the last five days, Guyana Goldfields does seem on the face of it to be a value opportunity for TSX index mining investors. It's sturdy stock, after all, with a one-year past earnings growth of 30.7% and five-year average rate of 47.7% showcasing a decent track record. With a low debt level of 11.5% of net worth, it can also boast a clean balance sheet.

Alacer Gold (TSX:ASR)

Down 4.12% in the last 24 hours at the time of writing, [Alacer Gold](#) is deeply discounted against future cash flow values by 35%, and trading near its book value with a P/B ratio of 1.1%; however, a high P/E of 53.7 times earnings shows overvaluation in terms of income. Drawing on a further market fundamental for clarity, a PEG of 2.7% indicates overvaluation in terms of expected growth.

Negative one-year and five-year average past earnings growth rates may turn off potential buyers, though Alacer Gold has a decent balance sheet, with a debt that's below the threshold of concern, while a 19.6% expected annual growth in earnings should interest upside investors.

Fortuna Silver Mines ([TSX:FVI](#))([NYSE:FSM](#))

Trading at book price, this “gold standard” TSX index mining stock is also deeply discounted by the same metric as the previous tickers, but with a P/E of 9.3 times earnings. Down 0.8% in the last five days, it’s fairly steady at the moment, while its balance sheet and track record can’t be faulted, with the latter characteristic typified by a one-year past earnings growth rate of 70.4% and half-decadal rate of 61.5%.

Silvercorp Metals ([TSX:SVM](#))(NYSE:SVM)

Up 2.06% in the last five days, Silvercorp Metals is the past week’s star mining stock. Down 17.6%, its negative one-year past earnings rate is mitigated by a positive five-year average past earnings growth of 53%. Another squeaky clean ticker, Silvercorp Metals is attractively valued (see a P/E of 11.2 times earnings and P/B of 1.4 times book), while a small dividend yield of 0.94%, matched with a 6.3% expected earnings growth, offer a sweetener to longer term investors.

The bottom line

One of the TSX index miners above stands out here: Guayana Goldfields is looking at a 16.5% expected annual growth in earnings (which is significant when compared with [Fortuna Silver Mines](#)’ expected 9.8% downturn in earnings, for example). Silvercorp Metals is notable for its potential for mixing regular passive income with the potential for capital gains.

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1. Investing
2. Metals and Mining Stocks
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1. NYSE:FSM (Fortuna Silver Mines)
2. TSX:FVI (Fortuna Silver Mines)
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