



1 Top Gold Miner to Buy in May

Description

Growing uncertainty has increased the attractiveness of gold as a hedge against a market downturn. While this sees some investors bolstering their exposure to bullion or gold exchange-traded funds like the **SPDR Gold Shares**, one of the best ways to gain exposure is to invest in gold miners with high-quality assets. The standout intermediate gold miner is **Kirkland Lake Gold** (TSX:KL)(NYSE:KL), which has been on a tear, gaining almost 23% since the start of 2019.

Remarkable performance

The miner has reported a slew of impressive performances, including most recently record gold production for the first quarter 2019, which, at 231,879 ounces, was a whopping 57% greater than a year earlier. Kirkland Lake also reported that its gold reserves had expanded by 24% year over year to 5.75 million ounces at an average grade of 15.8 grams of precious metal per tonne of ore. The solid increase in quarterly production means that the miner is on track to meet its 2019 full-year guidance of 920,000 to one million ounces.

Such robust growth will give Kirkland Lake's earnings a healthy lift, especially when it is considered that it has reduced forecast all-in sustaining costs (AISCs) to US\$520-560 an ounce. Those forecast AISCs are significantly lower than the US\$685 an ounce reported for 2018 and highlight Kirkland Lake's profitability in an environment where gold is trading at over US\$1,280 per ounce.

Kirkland Lake's robust performance can be attributed primarily to its Australian Fosterville mine, where gold reserves, ore grade, and production continues to expand. First-quarter 2019 ore grades increased by 73% year over year to 29 grams of gold per tonne of ore, and there is every sign they will continue to increase as Kirkland Lake ramps up activity at the mine and further invests in expanding its operations.

Kirkland Lake also brought its Holloway mine back online, which produced 1,056 gold ounces for the quarter, and it is anticipated that the mine will produce 20,000 ounces for the full year.

Higher gold ahead

While gold has softened since late February, there is every sign that [another rally](#) is due because of a range of geopolitical tensions, including the ongoing crisis in Venezuela, another bout of open warfare in Libya and Trump's push to cut off Iran from global energy markets. Analysts claim that gold will return to over US\$1,300 an ounce before the end of 2019, and some have even tipped that it could rise to as high as US\$1,400 [before](#) the year's end.

Why buy Kirkland Lake?

Kirkland Lake's latest dip because of weaker gold has created an opportunity for investors to not only bolster their exposure to the yellow metal, which is an important hedge during times of crisis, but to one of the best-in-class gold miners. There is every sign that as Kirkland Lake's earning expand because of sharply lower AISCs, higher production, and firmer gold, its earnings will soar. For these reasons, now is the time to Kirkland Lake to your portfolio.

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