



3 Top Gold Stocks for Your TFSA

Description

Gold investors finally have [something to cheer about](#). After years of sideways trading, the price of gold has finally broken through some key psychological and technical resistance. Along with the price of gold, producers are also catching a bid.

Miners have spent the better part of the past handful of years streamlining operations. The focus is on increased production and lower all-in sustaining costs (AISC) per ounce. The latter is a key indicator, as it is a measure costs per unit sold. It is often used as a comparative against peers and is also used to value projects not currently in production.

With that in mind, here are three of the top gold stocks in the country.

Kirkland Lake Gold

Hands down, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) has been the [best-performing stock](#) in the sector. As gold struggled, Kirkland Lake shareholders were enjoying rapid price appreciation. Over the past five years, the company's share price has jumped 10,000%!

Although the company's hyper-growth phase is behind it, it is still growing at an impressive pace. Year to date, its stock is up 70%, and there is plenty of upside.

Kirkland Lake is growing production and cash flow at a rapid pace. In 2019, production is expected to grow by 30%, and AISC are expected to drop to \$540 per ounce at the mid-range of guidance.

Dundee Precious Metals

Despite healthy gains of 30% in 2019, **Dundee Precious Metals** ([TSX:DPM](#)) is still one of the best-valued companies in the sector. It is trading at a cheap 10.61 times forward earnings and at an aridiculous cheap P/E-to-growth (PEG) ratio of 0.11. Its share price is not keeping with growth rates expected to reach triple digits over the next handful of years. This is a clear sign of undervaluation.

Dundee's Krumovgrad project has reached commercial production and is expected to underpin 50% production growth. In 2019, the company is targeting low AISC of \$675-820 per ounce.

Detour Gold

Detour Gold (TSX:DGC) made the list not for its recent performance, but for future expectations. Unlike its peers, Detour has struggled to get a handle on costs and in 2019, the company has guided to AISC of \$1,194 per ounce. This isn't great and although profitable at today's gold prices, it is far from being one of the more efficient producers.

That being said, Detour has undergone significant management changes and, along with them, a change in philosophy. Its primary focus is on improving cash flows, and it expects AISC to drop by 30% to \$843 per ounce by 2023. This would be a remarkable improvement.

The company is one of the smaller players in the industry, and improvements such as these can have big impacts on the company's stock price. Case in point, since new management was introduced, the company has ridden momentum to 73% gains in 2019.

The opposite is also true. Should the company struggle to meet guidance, it can underperform in a big way. Detour is a high-risk, high-reward gold play.

CATEGORY

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2. Metals and Mining Stocks

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