



A Top Gold Miner to Double Your Money by the End of 2020

Description

Gold surged strongly in recent weeks, breaking through the US\$1,500 per ounce mark to be up by 18% for the year to date. The latest rally was sparked by growing geopolitical and economic fears triggered by the escalating trade war between the U.S. and China, the increasing likelihood of a no-deal Brexit and rising anxiety that a recession is looming.

While that has triggered considerable choppiness in global equity markets, it shouldn't deter investors from buying stock with significant long-term potential; one stock that stands out is development stage miner **Continental Gold** (TSX:CNL), which is developing the Buritica ore body in Northwestern Colombia.

Quality asset

The miner has attracted considerable criticism from many pundits because of serious security incidents at its properties and cost blowouts which saw its stock [roughly handled](#) by the market.

This was despite many of those issues and their impact on Continental Gold being overblown by the market and the fact that it is developing one of the highest grade low-cost, large-scale gold projects globally.

Continental Gold is entering a pivotal year, with construction for the Buritica mine expected to be completed during the first half of 2020, the first gold pour to occur during that period and commercial production to begin during the second half of the year.

The latest update from Continental Gold indicates that mine development remains on track with the 75% completion milestone being reached earlier this month. This is good news for shareholders because of the significant amount of controversy surrounding the project since development began over three years ago.

Buritica's considerable profitability is underscored by its quality gold reserves totalling 3.7 million ounces with an average grade of 8.74 grams of precious metal per ton of ore (g/t). That exceptional ore

grade means that it is very economical to extract the gold and that Buritica will have low all-in sustaining costs (AISCs) of around US\$600 per gold ounce mined.

In an operating environment where gold is trading at over US\$1,500 per ounce, it indicates just how profitable Continental Gold will be once commercial production commences. This is particularly the case when it is considered that all estimates concerning the Buritica mine were calculated using a forecast gold price of US\$1,267 per ounce.

During the first five years, production is expected to average 282,000 ounces annually, allowing it to maximize the benefit of higher gold and recoup the mine's capital costs and build cash flow at a far greater than anticipated clip.

Continental Gold also continues to report high-grade drilling results for Buritica, underscoring the significant exploration upside and potential for its gold reserves and production to expand further over the life of the mine.

Foolish takeaway

It has been a rocky ride for Continental Gold's shareholders, but construction of the Buritica project remains on schedule with commercial production expected to commence during the second half of 2020.

If Continental Gold successfully commences commercial operations as planned and production as well as AISCs meet guidance along with gold remaining at well over US\$1,400 per ounce, it isn't difficult to see its [stock doubling](#) before the end of 2020. For these reasons, now is the time for investors to add Continental Gold to their portfolios.

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