



2 Gold Stocks You Shouldn't Wait to Buy

Description

Buying gold stocks is a great way to gain exposure to the price of gold and protect your portfolio from volatility.

It is also a great idea because the prices of gold and gold mining stocks have been at a huge disconnect the last few years.

Since gold stocks are so much more volatile than the physical metal, they tend to perform better at the front end of cycle changes.

There have been a number of catalysts recently for the price of [gold](#) to increase as well. The issues surrounding global growth and global trade has been the main one so far in 2019.

There have also been worries about the drone strike in Saudi Arabia and rising debt levels, and now there is concern President Trump may be impeached, which could also cause gold's price to rise.

Two stocks to take advantage of the inevitable gold rally are **Equinox Gold** (TSXV:EQX)(NYSE:EQX) and **Continental Gold** (TSX:CNL).

Equinox

Equinox is a small-cap gold mining company that offers tons of growth opportunities. It just got its operations underway in late 2018 at its Mesquite gold mine in California. It also just began production earlier this year at its Aurizona gold mine in Brazil.

In addition to those two mines, it also has a third mine, the Castle Mountain gold mine, that is also in California. The Castle Mountain mine is expected to begin production in 2020.

In total across its three mines, Equinox has roughly 5.5 million ounces of proven and probable reserves.

At the Aurizona mine, it is expecting to do 75,000-90,000 ounces of production in 2019 at all-in sales

costs (AISC) of between \$950 and \$1,025.

At its Mesquite mine, it expects to produce 125,000-145,000 ounces of production this year at AISC of between \$930 and \$980.

It just got its listing on a major American stock exchange last week as well, which should help to attract more investment dollars.

It expects it can produce more than a million ounces per year by 2023 across its three mines, which would be huge for investors buying shares today.

At a market cap of less than \$900 million, it's priced extremely reasonably, and investors looking for exposure to gold should jump at the opportunity.

Continental Gold

Continental is another small-cap stock that is still getting its operations underway. So far, it hasn't produced any gold yet, but it is expecting to begin production in early 2020.

It has one of the world's largest and highest-grade gold deposits in the world. It is located in Colombia, and the proven and probable reserves include more than 3.7 million ounces of gold and 10.7 million ounces of silver.

Its strong partners and investors show the potential the company has, especially from top and knowledgeable people and companies in the sector. **Newmont Goldcorp** one of the largest gold producers in the world with roughly 20% of the company with the option to own up to 28%.

Its Buritica project is more than 75% complete and is expected to produce more than 300,000 ounces a year, with a 14-year mine life. Continental estimates that the Buritica mine will have extremely low AISC of right around \$600.

At a market cap of just over \$800 million, its extremely cheap and is offering a great discount to those investors willing to wait for production to commence.

Bottom line

Gold stocks are a great way for investors to protect their investments and portfolios, while still identifying solid companies that have the potential to grow.

As we enter a period of increased uncertainty, it's inevitable that there will be more catalysts coming to help gold get the boost it needs.

It's advised that as we continue to see these changes in the global marketplace and economy, investors should start to sell off their overvalued stocks and rotate into gold companies.

CATEGORY

1. Investing

2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:EQX (Equinox Gold Corp.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/07/02

Date Created

2019/09/26

Author

danieldacosta

default watermark

default watermark