



## Forget Gold Bars! Buy These 2 Gold Stocks Instead

### Description

Wealthy people buy gold for protection against currency devaluation, inflation, or a severe breakdown of the financial markets. When you purchase physical gold, your interest is in the value of the metal.

For regular or retail investors, the next best thing to owning gold is investing in gold mining companies like **Yamana** ([TSX:YRI](#))([NYSE:AUY](#)) and **Wesdome** ([TSX:WDO](#)). The former is one of TSX's popular gold stocks, while the latter is the gold producer in the Eagle River Mine.

There are several reasons to own gold. Bullion or coins give owners a sense of security. At the turn of the millennium, gold has become a [trendy investment](#). It has large liquidating spreads, but you have to pay premium prices and fees to buy it.

Selling physical gold is a problem, because it entails shipping the shiny metal, whereas you can quickly sell your gold stocks and receive payment instantly. But it all boils down to cost. The price of a 400 oz. of gold is about US\$610,000. You can purchase gold stocks at less than \$10 per share.

### Financial flexibility

Yamana is a \$4.5 billion company that is into the operation of mines, development-stage projects, and exploration of mineral properties. Most of its sites are in Canada, Argentina, Brazil, and Chile. The company sells precious metals, including gold, silver, and copper.

The principal mining properties are the Canadian Malartic mine, the Cerro Moro mine in Argentina, the Chapada and Jacobina mines in Brazil, and the El Peñón and Minera Florida mines in Chile.

Last week, Yamana reported its third-quarter operating and financial results. The free cash flow of the company almost doubled to \$100 million, along with the retirement of \$800 million of debt. With the decision to intensify exploration activities, Yamana was able to produce 209,923 ounces of gold.

As of September 2019, the total company fund was \$850 million, comprising of \$100 million cash and \$750 million available credit lines. The stock gain so far this year is 49.37%. At \$4.77 per share and a

dividend of 1.19%, Yamana is [an excellent buy](#).

## Top performer

Wesdome is one of the top-performing gold stocks in 2019. The stock is up 56.65% year to date, and analysts covering the stock are forecasting a climb from \$6.94 to \$9, or upside of 29.7%, in the next 12 months.

This \$952.17 million company does a lot of things involving gold. It explores, extracts, processes, produces, reclaims, and sells gold in Canada. Most of the end products are gold doré bars with silver as a by-product.

The Eagle River Mine is the principal asset of Wesdome. It has three contiguous mining leases and about 442 contiguous active mining claims. The total area of coverage is 7,958 hectares. The Mishi Mine consists of 19 patented mining claims, five mining leases, and five staked claims with a total area of 3,055 hectares.

In Q3 2019, Wesdome's gold production increased by 23%. For the full year, the company raised its production guidance to a range of 88,000 to 93,000 ounces of gold.

## All that glitters is a gold stock

If you want exposure to the precious metal or gold, Yamana and Wesdome are your golden opportunities. You might not have the money to buy physical gold, but you can own shares of the companies that produce gold.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. TSX:WDO (Wesdome Gold Mines Ltd.)
3. TSX:YRI (Yamana Gold)

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