



2 Gold Stocks to Protect Your Portfolio in Times of Trouble

Description

Gold has come down a bit the last few days and so have a number of the gold mining stocks. Whether or not the conflict in Iran escalates any further, it's a good reminder of the flight to safety we see from the market, when fear multiplies instantaneously.

Clearly from the Iranian conflict scare, investors will rush to gold for more than just fear of an economic issue, which is why investors should always have at least some exposure to the precious metal, and increase it during times of heightened fear and uncertainty.

Two high-quality gold stocks you can add to your portfolio for protection are **Newmont Corporation** ([TSX:NGT](#))(TSX:NEM) and **Kirkland Lake Gold Ltd** (TSX:KL)(NYSE:KL).

Newmont

Newmont has stepped up to the plate and challenged **Barrick** for the gold mining industry leader title, after its major acquisition of Goldcorp in 2019.

The company now has a massive portfolio of high-quality mines operating in top-tier jurisdictions that allow it to produce roughly 6.5 million ounces a year.

Apart from being a top gold stock to consider for its massive size and position in the industry, Newmont is also one of the top operators with one of the most profitable asset mixes.

In its most recent quarter, Newmont reported a net margin of more than 10%, and the price of gold has only continued its climb.

The company is a great stock to own for its defensive reasons, but also because management has a shareholder-focused approach to its capital allocation.

It's continuously returning cash to shareholders through both its industry leading dividend as well as the shares it's bought back.

Going forward as the price of gold continues to appreciate, look for Newmont to be one of the top-performing stocks on the **TSX**.

Kirkland Lake

Kirkland Lake isn't nearly the size of Newmont, but it still offers investors strong operations and good exposure to the price of gold.

The company has also been working to enter the big leagues when it comes to global [gold miners](#), with its recent acquisition of **Detour Gold Corp**.

The acquisition, if it goes through, will severely strengthen Kirkland Lake's position and add another long-life and high-quality asset to its portfolio.

Kirkland Lake's biggest strength is its extremely low all-in sales costs, which give the company a huge profit margin.

The margin only continues to grow as the price of gold increases, which is what led to record earnings and cash flow for the company in the third quarter.

The company is using its record cash flow to build up its financial strength, while funding new growth projects.

All in all, the company is an attractive investment and similar to Newmont, thanks to its profitable operations and leverage to the price of gold, can be expected to outperform the market this year, as fear and uncertainty grow globally.

Bottom line

There are a number of investors and experts that will tell you that you should have at least some exposure to gold. If you need to find a company to consider today, I'd start with these two.

You can't go wrong owning a dominant industry leader like Newmont, and with Kirkland's major profit margins, it looks like one of the best high-quality stocks you can buy and forget about.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. TSX:NGT (Newmont Mining Corporation)

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