



Revealed: Top 2 Gold Stocks to Buy Now

Description

Gold stocks can play an important role in investors' portfolios, especially as we quickly approach the peak in our economic cycle.

The economy has been booming for over a decade, apart from a slight technical recession in the middle of the decade brought on by the collapse in the price of oil.

Other than the few quarters of negative growth in the middle of the decade, the Canadian economy has been booming, meaning it's natural for the economic prosperity to soon slow, as things naturally begin to correct themselves.

These corrections are what scare investors, as financial markets are known to grow wild with volatility, when fear and uncertainty ultimately increase their influence over the direction of markets.

You can offset this risk by owning gold mining companies, which are leveraged to the price of gold, the natural safe-haven asset for investors.

This ensures that if there's a sell-off in the broader market, your portfolio won't be as affected because [gold stocks](#) should be gaining in value, as investors flee to the safe-haven metal.

Two of the top Canadian gold stocks to buy for portfolio protection today are **Kirkland Lake Gold Ltd** (TSX:KL)(NYSE:KL) and **B2Gold Corp** ([TSX:BTO](#))(NYSE:BTG).

Kirkland Lake

Kirkland Lake is by far one of the most attractive gold miners you can buy, for the main reason that it can produce gold at an extremely low-cost relative to its peers.

The company has assets in Canada and Australia with more than 80% of its income coming from just two main mines.

The extremely low cost means that Kirkland Lake is profitable at lower gold prices, but also it has higher leverage as the price of gold continues to appreciate.

In 2016, Kirkland Lake's all-in sales cost (AISC) for gold was roughly \$930, close to the industry average. Since then however, it's gone on a major cost-cutting initiative, decreasing its AISC to just \$685 in 2018, and estimating a range of just \$520 to \$560 for 2019.

These are incredibly low costs for producing gold, which is what makes Kirkland Lake perhaps the most attractive gold mining company in the world.

Looking at its stock, it's easy to follow its track record of success as the shares were up 175% in 2017, 85% in 2018, and another 62% in 2019.

In total, the stock is up more than 430% the last three years, compared to the **iShares S&P/TSX Global Gold Index ETF** which grew by only 21% over the same period.

B2Gold Corp

B2Gold is not quite as large as Kirkland Lake, but is still a significant gold miner with mines in Colombia, Mali, Burkina Faso, Namibia, and the Philippines.

The company is also a low-cost miner, decreasing its costs overtime as it has simultaneously been rapidly growing its production.

B2Gold is expecting to do over 1 million ounces in 2020, already more than double what the company produced as recently as 2015.

The company is projecting between \$780 and \$820 in AISC for 2020, which is not as low as Kirkland Lake's but still significant, especially with an average selling price of roughly \$1,400 in 2019 and what can be expected to be even higher in 2020.

At an average selling price of \$1,500, B2Gold estimates it will do roughly \$1.5 billion in revenue in 2020 and approximately \$700 million in operating cash flow.

It's in a strong financial position going forward too, making strategic investments to help lower the costs of production as well as paying down debt.

It estimates that by the end of fiscal 2019, debt will be just \$260 million, and the company will have a debt-to-equity ratio of less than 0.2 times.

Bottom line

These companies are the top two gold mining stocks you can buy today, due to their strong production growth and large operating margins.

Plus, they are each trading at extremely attractive valuations, and with the price of gold expected to grow significantly over the next few years, both present a major opportunity.

So consider adding these stocks to your portfolio today, in order to protect your portfolio as well as exposing it to some major potential growth.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)

PARTNER-FEEDS

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

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/24

Date Created

2020/02/06

Author

danieldacosta

default watermark

default watermark