



These 2 Top TSX Gold Stocks Are Ready for a Breakout

Description

Investing in gold has proven to be a prudent strategy in recent years. During the pandemic, gold stocks continued to outperform last year. However, of late, these stocks have not performed as well as many would have expected last summer.

That said, precious metals and the gold miners supporting this sector have once again taken off. It appears sentiment is shifting again toward inflation hedges. And while bond yields have crept down in recent days, these stocks provide great defensiveness for all investors right now.

Accordingly, let's take a look at two of the best gold miners on the **TSX** right now. These companies remain my top picks for long-term investors seeking some gold exposure today.

Let's dive in.

Kirkland Lake Gold

One of the most [undervalued](#) gold miners in the market right now is **Kirkland Lake Gold** (TSX:KL)(NYSE:KL). Regardless of the company's sector-specific exposure, it's a value pick all on its own. The company's current valuation multiple of around 15-times earnings is cheap. And for a company that has shown the cash flow growth potential of Kirkland Lake of late, it's one that likely won't be this cheap for long.

Indeed, gold prices continue to remain around US\$1,800 an ounce, significantly higher than in recent years. And if gold prices continue to push toward all-time highs in the coming months as inflation picks up, we could see companies like Kirkland Lake report ridiculous earnings.

My view is that Kirkland Lake's high-quality mining exposure and impressive margins are undervalued in this existing market. Indeed, Kirkland Lake ought to remain a [top pick](#) for all investors interested in gold miners right now.

Barrick Gold

Another top pick among precious metals investors of late has been **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). This company is one of the largest gold miners in the world and has been so for some time. The company's portfolio of reserves is among the most robust in the world. And like Kirkland Lake, Barrick's current valuation appears to be too good to be true.

For gold bug and those simply considering a nice portfolio hedge, Barrick fits into most portfolios well. The company's continued to build out its strong production base globally. In fact, Barrick is one of the most geographically diversified miners in the business. For those worried about geopolitical risks tied to one specific area, Barrick provides a diversified approach to this sector.

Additionally, Barrick's rising dividend distribution may be of interest to investors today. The company's current yield of 4.3% is meaningful and is one of the best in the gold mining space. Should cash flows continue to outperform, investors can expect more in the way of dividend growth on the horizon.

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1. Dividend Stocks
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