



A Pot of Gold: 2 Top Gold Stocks to Sit On Forever

Description

Investors [looking for value](#) in today's market don't really have many options. Indeed, outside of a few sectors, the outlook is pretty bleak right now for value investors. However, those considering gold stocks right now appear to be well positioned in terms of finding value.

There are a number of reasons for this. However, the combination of poor historical capital allocation and investor distrust over gold prices currently appears to be at play.

Let's dive into two of the best gold stocks that could provide great value right now.

Top gold stocks: Kirkland Lake Gold

When it comes to gold miners, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) has been one of my top picks for quite some time. Indeed, it appears other gold miners see what many value investors have seen for some time: that is, Kirkland Lake is undervalued.

Recently, it has been reported that Kirkland Lake has an [acquisition offer](#) from **Agnico Eagle** ([TSX:AEM](#))([NYSE:AEM](#)). As a result of the merger, these two companies will be set to become a competitive powerhouse in the global gold mining space.

That said, Agnico's offer for Kirkland Lake represented a discount to where shares were trading Monday. Accordingly, Kirkland Lake stock fell today on the news.

Is this worrisome? I don't think so. In fact, I think the business combination of these two gold giants makes for a more compelling thesis to own Kirkland Lake stock prior to the merger — or Agnico Eagle, for that matter.

Barrick Gold

For investors who are seeking exposure to gold prices, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is an

excellent option, in my view. This stock has been attracting a lot of interest from retail investors ever since Warren Buffet had bought shares of this company. Although the Oracle of Omaha offloaded his holdings, individuals must take note that one of the greatest investors of all time showed interest in this company.

One of the most intriguing aspects of Barrick Gold is its size. Indeed, considering that Barrick is the largest gold mining company in the world, institutional investors have a lot to like about this stock. Moreover, from a valuation standpoint, this stock continues to be an excellent option for value investors. At the time of writing, Barrick Gold has a valuation multiple of roughly 13 times its earnings.

Barrick Gold's operations primarily focus on large mines that have plenty of resources remaining. Accordingly, this company has the capability to keep producing gold for many more years to come. As per Barrick's estimates, its yearly output will be approximately five million ounces through 2030.

Besides having a best-in-class mining portfolio, this company has a stellar balance sheet. Barrick has managed to minimize its interest costs by reducing its debt burden over the years. This has made it possible for the company to increase its dividend yield, which now stands at 2% at the time of writing.

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1. Editor's Choice

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