



2 Canadian Gold Stocks That Could Double Soon

Description

After a year where the market has continued to recover from the pandemic and has even set fresh all-time highs, there aren't too many stocks trading undervalued. In fact, by some metrics, stock markets are trading at historically high valuations. With that being said, though, if you're looking to buy Canadian stocks that are undervalued, gold is extremely cheap right now.

Gold stocks can play an important role in investors' portfolios, and having the chance to buy them so cheap is an excellent opportunity. With inflation picking up a tonne of steam lately, gold could act as a hedge for your portfolio. In addition, it's always worth it to hold a little bit of gold in your portfolio over the long run.

At times like these, when gold prices and, consequently, Canadian gold stocks are extremely cheap, it's an excellent time to increase your exposure. With that in mind, here are two top Canadian gold stocks that could realistically double within the next 12 months.

A top Canadian gold stock for dividend investors

One of the biggest knocks on gold from investors, and a reason why investors don't hold more, is that you can't earn a yield holding it. The yellow metal certainly offers its advantages which is why many investors like to hold a small amount over the long run. However, investors don't hold more of the precious metal because it doesn't yield any cash flow.

However, that doesn't mean that no investment in gold stocks can't return you capital. In fact, **B2Gold** ([TSX:BTO](#))(NYSE:BTG) stock offers an impressive dividend, making it an excellent mix of long-term gold exposure as well as providing investors passive income today.

B2Gold is one of the best producers there is. It has low costs and has been growing its production for years, resulting in the stock becoming a major cash cow.

And while gold prices have declined over the last year, they haven't fallen all that much. So, Canadian gold stocks like B2Gold continue to remain profitable at these prices and offer a significant opportunity.

In addition to the fact that B2Gold pays a handsome dividend, which yields over 4.5%, it also trades at a forward [price-to-earnings ratio](#) of just 6.5 times.

So, if you're looking for a Canadian gold stock that has the potential to double in the short term while still returning a tonne of passive income, B2Gold is an excellent stock to consider today.

A rapid growth stock

In addition to an extremely cheap dividend stock, we go to the other end of the spectrum and find **Equinox Gold** ([TSX:EQX](#)), one of the most impressive [growth stocks](#) in the industry.

Equinox is one of the most attractive gold stocks for Canadians to consider today, as it's been rapidly ramping up its production. And over the next three years, Equinox Gold is expected to grow its annual production levels by nearly 100%.

The company only commenced operations in 2018, and already this year, it's on track to produce more than 600,000 ounces. And by 2024, Equinox expects it will produce more than 1,000,000 ounces.

This is incredible growth and came at a time when gold prices were rising over the long run. Although gold prices have fallen over the last year, after their rally following the pandemic market crash, they are much higher than in 2018.

At the end of 2018, prices for gold were less than US\$1,300 a share. Today, the price for gold is more than US\$1,750. So, in addition to ramping up its production rapidly, Equinox has seen a significant tailwind from rising gold prices.

Today, it trades down nearly 50% off its all-time high. So, if you're looking for a stock that could double soon, Equinox has a tonne of potential when Canadian gold stocks eventually come back into favour.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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2. TSX:BTO (B2Gold Corp.)
3. TSX:EQX (Equinox Gold Corp.)

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