



## 2 Cheap Gold Stocks to Buy Right Now

### Description

While the stock market has been roaring with a rally since the depths of the pandemic market crash in March 2020, gold stocks are one of the few areas in the market that have sold off. Here are two cheap gold stocks that you can consider buying right now if you have little exposure to the precious metal.

### Barrick Gold stock

**Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is a large-cap gold producer that has an investment-grade balance sheet. Its S&P credit rating is BBB. Gold prices have retreated about 8% from a year ago, which is partly why the producer reported much lower profitability for its third quarter (Q3) earlier this month. Compared to a year ago, Q3 revenues fell 2% to US\$2.8 billion, and adjusted net earnings fell off a cliff by 42% to US\$419 million. On a per-share basis, it was a 41% decline to US\$0.24.

Its year-to-date results display a more resilient bigger picture. Revenue fell 7% to US\$8.7 billion, adjusted net earnings rose marginally by 1% to US\$1.4 billion, and adjusted earnings per share of US\$0.81 similarly improved by 1%. The decline in revenue was largely due to lower commodity prices versus last year when gold prices ran up from pandemic fear and a rush to gold — a safe-haven asset.

One analyst can be biased, which is why I prefer to look at the analyst consensus price target. Currently, 17 analysts rate [Barrick Gold stock](#) with five strong buys, eight buys, and four holds. Their 12-month price target is US\$27.40 per share, or 33% higher than the recent quotation of US\$20 and change per share.

### Equinox Gold stock

Compared to Barrick Gold, as a mid-cap producer with a relatively strong growth profile, **Equinox Gold** ([TSX:EQX](#))(NYSE:EQX) stock should be less susceptible to gold price volatility. The gold producer has seven producing mines and is working on five growth projects.

One of its growth projects is the Santa Luz project. Because it is a past-producing mine, the gold

producer can relatively quickly set it up to produce gold. Management expects the first gold pour to occur in Q1 2022. Alongside **Orion**, as a major developer with a 60% share, Equinox Gold is also building the largest gold mine in Canada — the Greenstone project. Management estimates that Greenstone will add approximately 240,000 ounces per year to Equinox's production. This project alone will add 40% of production compared to its 2021 levels. However, the first gold pour for Greenstone isn't expected until the first half of 2024.

[Equinox Gold](#) could potentially grow production by 93% per year from 2021 to 2024. This means even when gold prices fall, the producer could still significantly boost its profitability through 2024.

Because of its small size, only two analysts cover the gold stock. So, there could still be bias. Both rate Equinox gold as a "buy." Their 12-month price target is US\$10.60 per share, or approximately 28% higher than the recent quotation of US\$8 and change per share.

Because of Equinox's multi-year growth plan, stock investors should be patient and be ready to hold for a few years to potentially reap better rewards.

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2. Metals and Mining Stocks

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2. NYSEMKT:EQX (Equinox Gold Corp.)
3. TSX:ABX (Barrick Mining)
4. TSX:EQX (Equinox Gold Corp.)

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