



## These 3 Cheap Gold Stocks Are Top Value Buys Right Now

### Description

Canadian retirees looking to add [value stocks](#) to their portfolios can consider buying shares of gold mining companies such as **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)), **B2Gold** ([TSX:BTO](#))([NYSE:BTG](#)), and **Franco-Nevada** ([TSX:FNV](#))([NYSE:FNV](#)). Investors are worried about steep valuations surrounding [growth stocks](#) and rising inflation rates that might trigger another selloff in equity indices going forward.

Alternatively, gold has been historically viewed as a hedge against inflation, making the above-mentioned mining stocks top bets at current prices.

### Barrick Gold

Valued at [a market cap](#) of \$44 billion, Barrick Gold is one of Canada's largest companies. It recently reported preliminary results for Q4 and 2021 and projected gold production at 4.44 million ounces in 2021 compared to its guidance of between 4.4 million and 4.7 million ounces. It estimates copper production for 2021 to touch 415 million pounds, which was near the low end of its guidance between 410 million and 460 million pounds.

However, Barrick Gold explained a few of its key mining assets rebounded following repairs of processing equipment, which enabled it to report sequential growth in gold and copper production numbers in Q4 of 2021.

An encouraging surprise for investors was Barrick's decline in costs, as it expects AISC, or all-in sustaining costs, per gold ounce to fall between 4% and 6% sequentially in Q4. Further, cash copper costs may even fall by double-digit percentages in Q4 of 2021.

Analysts tracking Barrick Gold stock expect shares to gain over 50% in the next 12 months.

### Franco-Nevada

Franco-Nevada is a streaming and royalty company, which means it purchases gold from third-party miners. It then negotiates prices that are generally lower than spot prices, as the company funds capital expenditure requirements in return.

So, streaming companies such as Franco-Nevada benefit from the upside of mining without bearing costs or risks associated with exploration. Additionally, [streaming companies](#) will also report higher margins and cover costs of future agreements from existing cash flows lowering debt levels in the process. Franco-Nevada is debt-free and can use incremental cash flows to build or acquire new mines and expand existing agreements.

Franco-Nevada has agreements on 325 mining assets and is on track to deliver revenue of US\$1.3 billion in 2021. The stock is trading at a discount of 12% to average price target estimates.

## B2Gold

Another gold producer, B2Gold has mines operating in Mali, Namibia, Columbia, and the Philippines. In 2022, it aims to produce between 990,000 ounces and 1.05 million ounces with an AISC between US\$1,010 and US\$1,050 per ounce. The mining projection will allow B2Gold to report sales of US\$1.76 billion and operating cash flows of US\$625 million in 2022.

Given its market cap of US\$3.8 billion, the stock is valued at a price-to-sales multiple of just over two and a price-to-cash flow multiple of 6.1, which is really cheap.

B2Gold's strong net positive cash position, strong operating results, and a higher pricing environment will allow the company to maintain a high dividend yield of 4.5% which is among the highest in the gold sector.

Analysts also expect B2Gold stock prices to surge by 40% in the next 12 months.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:FNV (Franco-Nevada)
3. NYSEMKT:BTG (B2Gold Corp.)
4. TSX:ABX (Barrick Mining)
5. TSX:BTO (B2Gold Corp.)
6. TSX:FNV (Franco-Nevada)

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