



## Go for Gold, Not Oil, for Safe-Haven Buying and High Growth

### Description

Oil and gold prices retreated going into weekend after surging to their highest due to the Russia-Ukraine [war](#). Crude price rose above US\$100 per barrel, while the precious metal climbed past the US\$1,920-per-ounce threshold. The rallies, however, didn't sustain.

The non-inclusion of sanctions on energy exports by the West caused oil's [pullback](#). Bart Melek, the commodity strategy head at **TD Securities**, said the U.S. and its allies didn't want to impede the delivery of energy products. Industry experts can't say why gold collapsed after the brief spike. Nonetheless, they still believe the yellow metal's price will go higher because of a bullish price pattern.

Energy is still TSX's top-performing sector as of this writing with its 24.57% year-to-date gain. However, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) and **Mandalay Resources** ([TSX:MND](#)) are your safety nets today. The top-tier metals miner and junior gold producer have advanced by least 12.5% in the last 10 days. Their breakouts are imminent once gold starts its ascent.

### Precious gold plus a strategic metal

Barrick Gold is an income and [growth stock](#) rolled into one. Current investors enjoy a 19.74% year-to-date gain in addition to the 1.78% dividend yield. Based on market analysts buy to strong buy recommended ratings, the share price of \$28.67 could climb between 16.6% (\$33.44) and 51% (\$43.30) in 12 months.

The \$51.01 billion mine developer has producing gold (7) and copper mines (over three). Barrick Gold is a titan in the gold mining industry, but it's focus isn't entirely on the world's most precious metal. Its CEO, Mark Bristow confirms that Barrick is looking to expand its copper business. He said copper is the most strategic metal and will play a critical role in global electrification in the coming decades.

### Junior gold producer

Mandalay Resources is the alternative for price-conscious growth investors. The gold stock trades at

only \$2.76 per share, although a supersized return is in the offing. This \$252.83 million Toronto-based natural resource company has two gold-producing mines (Australia and Sweden) that generates significant cash flows.

In the full-year 2021, management reported top- and bottom-line growth of 28.2% and 41.8%, respectively, versus 2020. The US\$72.9 million consolidated revenue and US\$40.6 million adjusted EBITDA in Q4 2021 was Mandalay's highest ever in a quarter. Notably, free cash flow for the year reached US\$18 million.

Dominic Duffy, Mandalay's president and CEO, said, "We achieved significant financial milestones in 2021, including a 28% year-over-year growth in revenue for a record \$229.4 million by year-end." According to Duffy, the Costerfield gold-antimony plant in Australia is the main driver and linchpin to Mandalay.

Costerfield contributed 77.33% and 87% to the total adjusted EBITDA and net income for the year. Duffy further added that 2021 was a statement year for Mandalay, and the momentum should continue through 2022. Management expects higher production numbers and cash flows this year. The result should be better shareholder returns.

## Record highs for gold

According to Sean Boyd, executive chairman of **Agnico Eagle Mines**, people are looking for havens because of geopolitical tensions and a potential stronger-for-longer global inflation. Thus, gold mining stocks are set to move higher. "Equities are positioned to perform." He sees gold hitting record highs this year in volatile trading as inflation outpaces interest rates.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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