



## Top Pick: 1 Gold Stock With Mind-Blowing 640% Profit Growth

### Description

Mining stocks made up nearly half of the TSX30 winners in 2021. **Aura Minerals** beat **Shopify** for the top spot and led 13 other mining industry companies in the list of TSX's top [growth stocks](#). **Capstone Mining** ranked fifth, while **Wesdome Gold Mines** (10th) was the lone miner that made the list in all three years of the **TMX Group's** flagship program.

Fast-forward to March 2022, and basic materials (+21%) is the second-best performing sector year-to-date after energy (+40.30%). However, **Victoria Gold Corporation** ([TSX:VGCX](#)) should be in your buy list among all the [mining stocks](#). The gold stock (13th) was also a winner last year. But the compelling reason to purchase it today is the company's mind-blowing profit growth.

### Record annual production

The \$1 billion gold exploration and development company owns 100% of Eagle Gold Mine in central Yukon. Notwithstanding the global pandemic, Victoria Gold successfully ramped up the largest gold mine in Yukon history into production. Apart from the 40% increase in gold production last year versus 2020, gold sales jumped 54.8% year over year.

Victoria Gold President and CEO John McConnell said, "2021 saw record annual gold production of 164,222 ounces, an increase of over 40% from 2020. Our increased production led to other record highs for Victoria including revenues of \$356 million and net income of \$108 million."

McConnell further said, "2021 capital expenditures and all-in-sustaining-costs were higher as the Company not only dealt with the impacts of COVID-19 and inflation, but continued advancing growth initiatives." The growth initiatives include Project 250 and exploration at Eagle and Raven.

According to management, the continuation of both projects should lead to material increases in production and reduction in unit costs for 2023 and beyond. The actual operating results in 2021 was within Victoria Gold's revised gold production and pricing guidance.

## Stellar financial results

In Q4 and full-year 2021, revenue increased 12.7% and 99.4% compared to Q4 and full-year 2020. While net income in Q4 2021 declined 16.8% to \$45.66 million compared to Q4 2020, annual net income soared 641.1% to \$110.37 million versus full-year 2020. Notably, Victoria Gold reported a 12.7% reduction in long-term debt to \$151.25 million from \$209.66 million at year-end 2020.

## Business outlook

Management is still taking precautions to mitigate COVID-related risks, although it expects no significant interruptions in operations this year. However, any future emergence and spread of a virus could again impact the business and operations, including financial condition, liquidity, and market for Victoria Gold's securities.

Another threat to the business is the ongoing Russian-Ukraine war and economic sanctions by the West. Victoria Gold has no operations in either country. Nevertheless, management said there could be additional indirect impacts such as increased fuel prices, supply chain challenges, logistics, and transport disruptions. Other threats could include heightened cybersecurity disruptions.

Rising [fuel prices](#) and attendant pricing volatility may have adverse impacts on the costs of doing business, says management.

## Safety net

Victoria Gold sank to as low as \$5.06 on March 16, 2020. Investors didn't lose and instead were rewarded with a 43.4% overall return during the first COVID year. In the last 3.01 years, the total return of this TSX winner is 146.21% (34.96% CAGR). The share price of \$17.15 (+20.4% year-to-date) is a good entry point if you need a safety net in 2022.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

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