



### 3 Income Stocks From the Mining Sector

#### Description

Silver and gold, despite the peaks and valleys of demand, will always be needed by industry and luxury retailers alike. These three companies offer income opportunities from the mining sector.

#### 1. Silver Wheaton

The largest precious metals streaming company globally, **Silver Wheaton** (TSX: SLW)(NYSE: SLW) has interests in two of the top five silver deposits worldwide. The company is a cash flow generator. For the three months ending March 31, 2014, it realized cash flow from operations of U.S.\$114.8 million. For the quarter, Silver Wheaton produced 6.86 million silver ounces and sold 6.23 million silver ounces.

As a precious metals streamer, Silver Wheaton has no ongoing exploration costs. It has the right to buy all or a part of the silver and/or gold production from 19 first-rate operating mines and five development stage projects at a low fixed cost. It has this right in exchange for an upfront payment.

In May, Silver Wheaton's board declared its second quarterly cash dividend payment for 2014 of U.S.\$0.07 per common share. It also implemented a dividend reinvestment plan.

#### 2. Goldcorp

Since 2003, **Goldcorp** (TSX: G)(NYSE: GG) has paid out a monthly dividend to shareholders. A senior gold producer, the company's operations and development projects are in Canada, the U.S., Mexico, Guatemala, Honduras, the Dominican Republic, Argentina, and Chile.

In 2013, Goldcorp had a total annual gold production of 2.67 million ounces. This represented an 11% increase over 2012. For Q1 2014, the company's share of gold production increased to 679,900 ounces, versus 614,600 ounces in 2013. At year end 2013, Goldcorp's proven and probable gold reserves totaled 54 million ounces.

This week, Goldcorp declared its seventh monthly dividend payment for 2014 of \$0.05 per share. Historically, Goldcorp's stocks have split twice: two for one on July 10, 1996, and two for one on May

17, 2002. In 2013, the company's dividends paid totaled \$486 million.

### 3. Yamana Gold

**Yamana Gold** ([TSX: YRI](#))([NYSE: AUU](#)) has producing mines in Brazil, Chile, Argentina, and Mexico. The company has new operations in Brazil as well — the C1-Santa Luz and Pilar. Furthermore, it has development projects in Cerro Moro and Suyai, Argentina. Yamana Gold's production in 2013 was 1.2 million gold equivalent ounces. Its long-term goal is sustainable production between 1.5 million and 1.7 million gold equivalent ounces. In June, Yamana Gold and **Agnico Eagle** completed the acquisition of Osisko Mining and the Canadian Malartic mine.

Yamana recently reported that total production for the first four months of 2014 was roughly 380,000 gold equivalent ounces. This is in line with its budget. The expectation is that its Q2 2014 average monthly production will be 16% higher than the average monthly production in Q1. In April, Yamana Gold declared its Q2 2014 dividend of \$0.0375 per share.

Consider the above three companies when researching gold and silver equities for your portfolio. Income opportunities exist in the mining sector for investors willing to ride out the unpredictable nature of the basic materials industry.

#### CATEGORY

1. Investing

#### TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. TSX:WPM (Wheaton Precious Metals Corp.)
3. TSX:YRI (Yamana Gold)

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