



2 Canadian Mining Companies You Should Own

Description

Gold and uranium producers offer investment opportunities in metals, so consider the initiatives of these two companies within an unpredictable industry.

1. AuRico Gold

AuRico Gold (TSX: AUQ)(NYSE: AUQ) is a gold producer with operations in the province of Ontario and Mexico. It also has its Kemess Underground Project (a development project) in British Columbia. AuRico's core operations include the Young-Davidson gold mine (northern Ontario) and the El Chanate mine in Sonora State, Mexico.

AuRico Gold recently announced preliminary Q2 2014 production results. The company is reporting its eighth consecutive quarter of record company-wide gold production. This is fueled by record production from its Young-Davidson mine. AuRico is continuing to advance production at the Young-Davidson mine, which is a foundational company asset. The mine consists of contiguous mineral leases and claims totalling 11,000 acres. This year, AuRico Gold plans to invest up to \$1 million in exploration at the Young-Davidson mine.

AuRico Gold's current dividend yield is 2.08%. The company's dividend rate is \$0.08. Starting this year, AuRico's quarterly dividend will be related to operating cash flow. It intends to pay out 20% of the operating cash flow generated in the preceding quarter, divided by its outstanding common shares at the time the dividend is approved.

2. Cameco

One of the world's largest uranium producers, **Cameco** ([TSX: CCO](#))([NYSE: CCJ](#)) accounts for approximately 15% of the planet's production. The company has mines in Canada, the U.S., and Kazakhstan. Furthermore, Cameco is a major supplier of uranium processing services essential to produce fuel clean generation of electricity.

Its mining projects include McArthur River, Key Lake, Rabbit Lake, and Cigar Lake (all in Saskatchewan), Crow Butte (Nebraska), Smith-Ranch Highland (Wyoming) and Inkai (Kazakhstan).

McArthur River is the world's largest high-grade uranium mine. Ore grades within this deposit are 100 times the world average. The company's share of proven and probable reserves at McArthur Rivers is 251.6 million pounds U_3O_8 (a compound of uranium).

Cigar Lake is the world's second largest high-grade uranium deposit. It also has grades 100 times the world average. The Cigar Lake mine is owned by Cameco (50.025%), AREVA Resources Canada (37.1%), Idemitsu Canada Resources (7.875%) and TEPCO Resources (5.0%). Cameco is the operator at Cigar Lake.

The company's long-term annual production target for the Cigar Lake mine is 18 million pounds U_3O_8 by 2018. Cameco's share of the deposit's proven and probable reserves is 108.4 million pounds U_3O_8 at an average grade of 18.3%. In Q1 2014, the company announced the start of mine production at Cigar Lake.

Cameco's current dividend yield is 1.85% and its five-year average dividend yield is 1.60%. The company's dividend rate is \$0.40.

While metals investing is not for everyone, opportunities do exist with companies that have focused business plans. AuRico Gold and Cameco offer production potential and can add income to your trading account.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)

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