



Why Canadian Diversified Miners are the Best Addition to Small Portfolios

Description

Would you base your portfolio on a tech company with just one product, or a pharmaceutical company with just one drug?

While there are profits to be made in companies with a singular vision, there is stability in putting your money in a company that has many assets. A diversified company is generally a more stable investment.

In terms of mining investments many investors take a top down approach, first selecting the commodity then want to invest in, then researching companies with exposure to that asset. While this strategy makes sense, and it is one I have followed, every portfolio needs some diversity. New and small investors may not have the option of diversifying their portfolios by purchasing dozens of companies; fortunately it is possible to get diversity by purchasing a few companies with diversified assets.

The key in choosing a diversified miner is finding one whose has exposure to different classes of commodities. Sure, a gold/silver/platinum miner has exposure to different commodities, but all of those commodities are precious metals. A good mix is a company with exposure to a mix of precious metals, industrial metals, energy, and perhaps chemicals and fertilizers.

When people think of diversified miners companies such as **Vale** ([NYSE:VALE](#)), **Rio Tinto** ([NYSE:RIO](#)) or **BHP Billiton Ltd.** ([NYSE:BHP](#)) are the first to come to mind. But, we have a selection of diversified miners based right here in Canada. Here are three examples:

1. Teck Resources

Teck Resources (TSX:TCK.A)(TSX:TCK.B)(NYSE:TCK) is a Vancouver based, 13.7 billion market cap company with a truly diversified resource base. The company's main assets are copper, metallurgical coal, zinc, oil and gas. Other commodities that the company holds include gold, thermal coal, PCI coal, lead, molybdenum, silver

2. First Quantum Minerals

First Quantum Minerals ([TSX:FM](#)) is not nearly as diversified as Teck, but the company is diverse in that its asset base includes both precious metals and industrial metals. Copper is First Quantum's primary commodity, but the company also produces gold, nickel, zinc and some platinum group elements. The company owns seven operating mines and five development projects located around the globe.

3. Hudbay Minerals

Hudbay Minerals' ([TSX:HBM](#))([NYSE:HBM](#)) assets include base and precious metals. The company holds properties of various stages of development in the Americas. The company's flagship mine is the Flin Flon in Manitoba. The main commodities the company produces are copper, zinc, gold and silver.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BHP (BHP Group)
2. NYSE:HBM (Hudbay Minerals Inc.)
3. NYSE:RIO (Rio Tinto plc)
4. NYSE:TECK (Teck Resources Limited)
5. NYSE:VALE (Vale S.A.)
6. TSX:FM (First Quantum Minerals Ltd.)
7. TSX:HBM (Hudbay Minerals Inc.)
8. TSX:TECK.B (Teck Resources Limited)

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