



Goldcorp Inc. and Yamana Gold Inc.: Dividend-Yielding Gold Stocks for Uncertain Times

Description

Gold is considered a refuge during times of political uncertainty, especially if you can earn regular dividends during all the turmoil. Here are two dividend-paying gold companies that deserve some due diligence to see if they're right for your portfolio:

1. Goldcorp Inc.

Goldcorp Inc. (TSX: G)(NYSE: GG) pays a monthly dividend, which currently yields 2.47%. Goldcorp's dividend rate is \$0.60. The company has paid a monthly dividend to shareholders since 2003. This month, Goldcorp declared its ninth monthly dividend payment of the year of \$0.05 per share. It has a reputation for increasing its dividend consistently when gold prices increase. It doesn't do this with abandon, though. It has a disciplined approach to dividends. Consequently, when gold prices dropped, it didn't cut its dividend.

Goldcorp's foundational Canadian asset is its Red Lake project in Red Lake, Ontario. This mine is the company's leading producer, with an output of 493,000 ounces last year. The production estimate for this year is 440,000-480,000 ounces. The estimated mine life of Red Lake is 12 years. The High Grade Zone is the pillar of the Red Lake operation. This zone has an average grade of over two ounces of gold per tonne.

Speaking at the 2014 Denver Gold Forum Conference, Goldcorp President and CEO Chuck Jeannes indicated that the company is looking for a strong finish to 2014 at Red Lake. For Q2 2014, Red Lake gold production was 89,500 ounces and the average realized gold price per ounce from Red Lake was \$1,300.00.

2. Yamana Gold Inc.

Yamana Gold Inc. ([TSX: YRI](#))([NYSE: AUJ](#)) pays a quarterly dividends, which currently yields 2.13%. Yamana Gold's dividend rate is \$0.15. In July, the company declared its Q3 2014 dividend of \$0.0375 per share.

Last year, Yamana Gold achieved production of 1.2 million gold equivalent ounces. For this year, it expects production of more than 1.42 million gold equivalent ounces. Yamana is a cash flow generator and in Q2 2014 had adjusted operating cash flows of \$177.2 million. Yamana has gold production, gold development-stage properties, exploration properties, and land positions in Brazil, Argentina, Chile, and Mexico.

The company is advancing its Cerro Moro and Suyai projects in Argentina. Cerro Moro potentially could start up in 2016. It has a maiden probable mineral reserve of 1.5 million gold equivalent ounces at 24.34 g/t. As for Suyai, Yamana is focusing on submitting permit applications this year. There, the proposed underground operation will produce a precious metals concentrate.

Furthermore, Yamana is part of the Canadian Malartic Partnership with **Agnico Eagle Mines Ltd.** The Canadian Malartic Mine is the largest gold mine in Canada. It's anticipated that it will produce between 510,000-530,000 ounces in 2014. This joint operation provides Yamana Gold a low-risk entry into Quebec and Ontario.

Gold is a funny business, with demand for the precious metal down 26% in the first half of this year. Add to that price volatility and you have a sector that glitters with promises of returns that don't quite come to fruition. However, Goldcorp and Yamana Gold do offer income as you ride out the continued uncertainty in the market.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. TSX:YRI (Yamana Gold)

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